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DISTRICT OF COLUMBIA APPROPRIATIONS FOR 2004

Wednesday, April 9, 2003.

COURT SERVICES AND OFFENDER SUPERVISION AGENCY

WITNESSES

PAUL QUANDER, DIRECTOR, COURT SERVICES AND OFFENDER SUPERVISION AGENCY

Opening Remarks

Mr. Frelinghuysen. The meeting will come to order. Good morning, everybody. I would like to thank Chairman Bonilla for the use of his hearing room. Our host is Henry Bonilla of Texas, who is the Chairman of the Agriculture subcommittee on Appropriations, and this is his room. Since the District of Columbia subcommittee doesn't have its own, we have to rely on the graciousness of Mr. Bonilla and others, and we appreciate his generosity.

Let me welcome everyone to the first hearing of the District of Columbia Appropriations subcommittee for the fiscal year 2004 budget cycle. I know many of you probably had doubts as to whether or not we were ever going to hold this hearing. To Mr. Quander and others, who waited for us to set a date, we appreciate your understanding, and here we are.

Before we start, I want to extend a special welcome to the newest members of the subcommittee. On the majority side, we have Doctor Dave Weldon from Florida, and John Culberson, who may be with us, from Texas. Both parties are sort of caucusing. We hope that all members will be here. Both Dave and John are also new members of the Appropriations Committee.

On the minority side, we have Ed Pastor from Arizona and Bud Cramer from Alabama. Bud, good to be with you on the committee. Also joining me today is Chaka Fattah, the Ranking Minority Member of the subcommittee. This is Chaka's third year as the ranking member. I look forward to his valuable contribution to this year's bill and to his advice. And we look forward very much to working together.

At the outset, I wanted to say my predecessor, Joe Knollenberg, had a goal of working together with all of the stakeholders and with all of the Committee members to develop a mutual agenda and not to impose one. My intention to continue that very positive approach. I look forward to working with each and every member to do just that.

We are receiving testimony today on the fiscal year 2004 budget request from the Court Services and Offender Supervision

Agency, or CSOSA, as they are commonly known.

Briefly, for those who may not be familiar with CSOSA, it was established by the National Capital Revitalization and Self Government Improvement Act of 1997, most commonly known as the Revitalization Act.

This Act relieved the District of Columbia of certain State level financial responsibilities, and restructured a number of criminal justice functions. CSOSA was created and assumed the functions of supervision of offenders either on probation, parole or supervised release, supervision of pretrial defendants, and the defense of indigent individuals.

While the appropriation for this agency is comprised of three components, the Community Supervision Program, the Pretrial Services Agency, and the Public Defender Service, we have two of those components here today. The Public Defender Service will be with us next week with the D.C. Courts and Defender Services.

I believe that public safety, and I am sure all members of the committee agree, is one of the keys to the revitalization of the District. With all that is happening in the world today, the public safety focus is on homeland security and threats of acts of terrorism. But we can't lose sight of the threat to our safety that comes from acts of crime.

With 70 percent of convicted offenders serving all or part of their sentence in the community, and about 13 percent of the Metropolitan Police Department's monthly arrests coming from offenders under your supervision, CSOSA plays a vital role in the safety of the District's residents, employees and many visitors.

Mr. Quander, I look forward to hearing your testimony, but first I am happy to yield to Mr. Fattah for any opening remarks he cares to make.

Mr. Fattah.

Mr. Fattah's Opening Remarks

Mr. Fattah. Thank you, Mr. Chairman. I will defer opening remarks, but I do want to just take a second and welcome you to the Committee and the Chairmanship. We have made, I think, a great deal of progress over the last couple of years in having a bipartisan effort to respond to the needs of the District. And I am convinced that, even though this is our first hearing and we have had many conversations about the affairs of the District, I am convinced that through your leadership, additional progress will be made, and that the people in the institutions here in the District will be well served through your stewardship of the committee.

My contention has always been that we should not be expecting the District to solve problems that have not been solved anywhere else in the country, but that we should hold them to the higher standards of efficiency in local government, as is the case anywhere else.

I am reminded of that in reading the Philadelphia Inquirer this morning, in which a study found that in our State parole agency, they have somehow lost track of some 1,500 parolees, and a host of other at least alleged problems by the State auditor. And these are challenging issues.

I think that you will find that the leadership here in the District and from the testimony this morning, that a lot has been done and a lot is being done to deal with the lives of ex-offenders and how to make sure that recidivism is reduced here in the District. So I look forward to the testimony and appreciate you taking the helm of the committee. And I look forward to working with you.

Thank you.

Mr. Frelinghuysen. Thank you very much for your remarks.

Today we will hear testimony from Paul Quander, the Director of CSOSA, and I might add the first Presidentially-appointed director. I also understand, Mr. Quander, you may have people with you that are not at the table that might be called upon to answer questions. We welcome all of you here this morning. We will insert your entire statement in the record and ask that you highlight your statement to the committee. Please proceed.

Mr. Quander's Opening Statement

Mr. Quander. Thank you and good morning, Mr. Chairman and members of the committee. Thank you for the opportunity to appear before you today in support of the fiscal year 2004 budget request of the Court Services and Offender Supervision Agency for the District of Columbia, or CSOSA.

As you know, CSOSA includes the Pretrial Services Agency, which provides supervision for pretrial defendants. The community supervision program supervises convicted offenders on probation, parole or supervised release.

Our fiscal year 2004 request reflects our desire to continue implementing the initiatives we have previously presented to you. We strive to allocate resources strategically and effectively so that we can achieve the greatest possible benefit to public safety.

At any given time, CSP supervises approximately 15,000 offenders and PSA supervises or monitors approximately 8,000 defendants.

In both populations, our highest priority must be to close the revolving door that leads too many people through repeated incarcerations and periods of supervision. Through accountability, intermediate sanctions, treatment, education, and employment, we are striving to decrease that percentage every year by reducing rearrests and recidivism.

Among our population, in the 6 years since CSOSA's establishment as a trusteeship, and the 3 years since certification as an independent Federal agency, we have achieved a number of significant milestones. With fiscal year 2003 and fiscal year 2004 resources, we expect to meet our target caseload of 50 general supervision offenders per community supervision officer.

We have opened six field units to locate our officers in areas of the city with high concentrations of offenders, including our newest office at 25 K Street Northwest. Since fiscal year 2000, we have increased by 116 percent the number of offenders drug tested every month. We have placed over 3,500 defendants and offenders in contract treatment in fiscal year 2002.

Our multidenominational faith community partnership embraces more than 25 member institutions, and our volunteer mentor program has matched more than 80 returning offenders with individuals who are committed to helping them stay out of prison.

For fiscal year 2004, CSOSA requests direct budget authority of \$166,525,000 and 1,357 full-time equivalent positions. Of this amount, \$103,904,000 is for the Community Supervision Program, or CSP; \$37,411,000 is for the Pretrial Service Agency; and \$25,210,000 is for the Public Defender Service. The District of Columbia Public Defender Service transmits its budget request with CSOSA's.

CSOSA fiscal year 2004 budget request represents an 8 percent increase over 2003 funding. Most of that increase is attributable to adjustments to base that will enable the Community Supervision Program to fully fund community supervision officer positions to be filled in fiscal year 2003.

These positions are essential to achieving our targeted caseload ratio. The Community Supervision Program increase also includes funding for the Reentry and Sanctions Center Program, which is based on our Current Assessment and Orientation Center, or AOC.

In 2002, CSOSA received 13 million and an authorization for 89 positions to expand the Assessment and Orientation Center located at Karrick Hall on the grounds of D.C. General Hospital. In September of 2002, CSOSA signed a 10-year lease with the District of Columbia for the continued use of Karrick Hall. The planning work is completed, but the renovation has been delayed pending approvals required by the District Government.

The Assessment and Orientation Center provides us with a residential placement for high-risk defendants and offenders with extensive criminal histories and severe substance abuse problems. Among offenders who complete the program, rearrests decreased by 74 percent in the year following completion.

Since its inception, almost 900 defendants and offenders have benefitted from this program. This program is targeted directly at the 30 percent of our population who are most likely to recidivate. So we believe it is essential to achieving our public safety mission.

We request \$3,104,000 to expand the Assessment and Orientation Center to a full-fledged reentry and sanction center, bringing one additional unit on line for a total of 39 beds.

The Pretrial Services Agency also has one new initiative focusing on enhanced supervision. Since the District of Columbia Department of Corrections closure of Community Correctional Center number 4 in 2002, additional defendants are being released to the community and must be monitored by Pretrial Services officers. The impact of this has been considerable.

To mitigate the stress this has placed on their general supervision staff, the Pretrial Services Agency requests \$224,000 to provide vendor management of the agency's electronic monitoring program.

Thank you again for the opportunity to appear before you today. And I will be happy to answer any questions that you may

have.

Mr. Frelinghuysen. Thank you, Mr. Quander.

[The prepared statement of Mr. Quander appears on pages 21 through 76.]

AGENCY PERFORMANCE

Mr. Frelinghuysen. If there is no objection, we will operate under the 5-minute rule for questioning. All Members will have an opportunity to ask questions in a timely manner. After all Members have had a chance to ask questions, time permitting, we will have a second round.

There are, if you look in front of you on the witness table, boxes which are timers. Since we are on the 5-minute rule, we will give you fair warning.

I will go first with a few questions, then I will recognize Mr. Fattah, and then we will go in order of those who came into the hearing.

Mr. Quander, I am going to start off with a few general questions. The mission of your agency is to increase public safety, prevent crime, reduce recidivism and support the fair administration of justice.

How would you rate the job your agency is doing in each of those areas?

Mr. Quander. As a relatively new agency, I think we are doing a very good job of satisfying those requirements. When we talk about public safety, we talk about something that affects all of us. And I think the way that we have approached it as an agency, is to use the research that is available and the best practices that are available throughout the country. And we have joined that into a strategy to address public safety and recidivism.

What we try to do is to make sure that the individuals that we are responsible for are accountable, number 1. That we know where they are, we know what they are doing. That if there are any transgressions, any violation of the rules, that there are sanctions that are immediately applied. So that if there is conduct that is not going--conduct that is not appropriate, then there are immediate sanctions.

And, as a result of that, we believe that we have better control over the offender population and the defendant population. And, as a result, with the substance abuse testing and treatment that is provided, we think that we are on the right track, and we believe that we will be having a significant reduction in the number of rearrests and recidivists.

Mr. Frelinghuysen. How do you actually measure? What sort of tools do you have available to you? Do you compare yourselves to other jurisdictions?

I know you have working relationships with a lot of other Federal agencies, but I just wonder how you actually measure issues that relate to public safety and recidivism? How do you actually measure how well you are doing?

Mr. Quander. There are a number of tools that we are using. As a new agency, one of the newest tools that came on line in January of last year is our management information system that we call SMART. And SMART will allow us to actually track the

number of offenders and defendants that are in our system; the treatment, recidivism rate, rearrest rate, things of that nature.

So it is a new system, and we don't have a lot of data in the system right now, but in the not too distant future, we will be able to bring you data that shows you where we are.

Until that happens, we do compare rearrest rates with other jurisdictions. We take a look at the rearrest rates in the Metropolitan Police Department. We know on average that our offenders that we supervise roughly scale out about 13 percent of all of the individuals that are arrested in the District of Columbia by the Metropolitan Police Department. That is just the rearrest numbers.

When you look at the numbers of individuals whose cases have been dismissed, or no-papered, the number that are actually convicted is around 4 percent. So 4 percent of that number are offenders who actually have new arrests which have resulted in convictions, which is a significant improvement in what it was in the past before we came into existence. And the strategy that we have initiated is starting to take hold.

CASELOADS

Mr. Frelinghuysen. Talk for a minute about some of your statistics. At any given time--is this accurate--the Community Supervision Program, which includes probation and parole, supervises, is it 15,000?

Mr. Quander. It is 15,000 on that side.

Mr. Frelinghuysen. And the Pretrial Services Agency?

Mr. Quander. It is approximately 8,000, yes. Now, that number also--we are also responsible for civil protection orders. We also have a smaller number, but increasing number of supervised release people. So it is probation, parole, supervised release, and the pretrial side.

One of the--the figures that we like to cite is that 70 percent of offenders who are convicted of crimes in the District of Columbia serve a portion of their sentence in the community. So that is a significant number.

And we are responsible for the supervision. Part of the strategy that we have employed is to place our offices in the community in which our offenders live, which gives us better access to them. The defendants have access to the people that they need to see, the services that we are providing, including the learning labs and some of the substance abuse treatments.

So we are trying to make it as user friendly as we possibly can. But at the same time, it allows the community to have access to us so that they can tell us where the problem issues are.

DOMESTIC VIOLENCE

Mr. Frelinghuysen. One last question, and then I will turn to Mr. Fattah. Under the title Civil Protection, are we talking about spousal abuse, domestic situations?

Mr. Quander. Yes.

Mr. Frelinghuysen. Are you responsible for a certain population? Obviously we are keenly interested in making sure

that people aren't victimized again. I mean the cases of domestic abuse are particularly horrific involving children and spouses. I just wondered whether you have a handle on that aspect?

Mr. Quander. We do. We have a unit, a branch that is devoted to domestic violence. And we characterize them a little different than our general supervision.

Their caseloads are lower. They have a mandate to deal with the domestic violence issue. There is treatment as far as anger management, other types of treatment that deal with the issue of domestic violence. There is a 22-week treatment program that anyone that is convicted, or we believe that can benefit from this training is offered.

Mr. Frelinghuysen. I am all for treatment. That is what you are all about. I think you are doing a pretty good job. I just want to make sure that as we give treatment, we have a good idea as to whether some of the people who have been abused are afforded the protection.

In other words, we are for the treatment so we minimize future abuse. But, the other side of the equation is, we obviously have to separate, and I am not a lawyer, but there are ways that we try to separate, through a variety of court orders. I just wonder whether that side of the equation, to your mind, is working as well as it should?

Mr. Quander. It is working. And it is improving. One of the things that we are looking at is essentially a global positioning system. We are going to use it in our sex offense branch and in domestic violence.

So if there is a court order that says that husband, you have to stay away from a particular location, we don't have to argue in court whether or not he was there or not. Once we put that bracelet on an individual, it will show automatically whether he went into a particular radius. There is no dispute. We can go right back into court and the court, if we present sufficient evidence, will hold him in contempt or use some other sanction as appropriate.

So we are using the technologies that are available, plus our enhanced supervision to make sure that we adhere to the rules, that we give good treatment, and that people know that we are serious about maintaining order, that we have to cut out domestic violence, because it is a gateway to other crimes and other assaults. So that is why it is important for us to flip it as quickly as we can.

Mr. Frelinghuysen. Thank you.

Mr. Fattah.

USE OF TECHNOLOGY

Mr. Fattah. Thank you very much. I know that the global positioning system and the bracelet issue is not your only use of technology in terms of supervision. Maybe you want to share with the Committee the way you utilize technology in terms of the general population that you supervise.

Mr. Quander. One of the other uses that we have is through the electronic monitoring program. And that allows us to essentially place curfews on individuals. It allows us to track individuals, and we also use it as a sanction. I was in court

recently in a probation revocation hearing where a judge was actually complimenting one of the CSOs, probation and parole officers, because she had used electronic monitoring and other means as a sanction to sort of bring someone back into the fold, because the probation officer had filed a request for a revocation because the individual was back violating the conditions.

But, because of the graduated sanctions, including electronic monitoring, we were able to get the individual's attention. Sometimes that is what you need to do, let them know that we are serious. And he came back in. So it works very well.

The Pretrial Services Agency uses it extensively, and as I mentioned in my opening remarks, because of the closure of Center Number 4, they have had to rely upon it even more. So with the global positioning satellite that we will have up and running this fiscal year, and the electronic monitoring that we are doing, plus the drug testing that we are doing as well, we are using whatever electronic and technological advances there are so that we can protect the public.

SUBSTANCE ABUSE

Mr. Fattah. Well, let me just make the Committee aware that I think the recidivism rate, the rearrest and conviction rate here in the District is lower than I think you would find in any major city in the country. You have done an extraordinary job in that regard.

The National Institute of Justice has done a survey, and showed that at least in my home town, Philadelphia, that a vast majority of crime was driven through drug-related issues. The use of drugs, being addicted to drugs, the need to get money for drugs, whether it was breaking in cars or homes or, I mean, just the vast majority of crime that affected people on a day-to-day level.

The National Institute said that in Philadelphia it was approaching 90 percent. What percent of the population that you are supervising have had drug issues in their background or in their present circumstances?

Mr. Quander. Our information reveals that it is approximately 70 to 75 percent of the individuals that we supervise have a substance abuse history.

Mr. Fattah. That would include the 15,000 offender population, and those who are in your pretrial program?

Mr. Quander. Yes. Actually I think the numbers are 70 percent for the offender population, probation and parole; and 75 percent of the pretrial or the defendant population.

Mr. Fattah. And I assume that, it runs the gamut, from cocaine to other types of drugs. But the treatment initiatives that you have embarked on, their success ratio 1 year after, which I guess is the normal measurement, what are you testing and what are the reviews showing?

Mr. Quander. Actually, a study was done by an organization with the University of Maryland in May of 2002 that indicated that individuals who have gone through the Assessment and Orientation Center, there was a 74 percent reduction in the arrest rate 1 year after completing the program, which is a

phenomenal number. It really has an impact.

The key to that is the individuals going into that program are the core 30 percent of the population, which have--has a substantial history of criminal involvement and substance abuse. That is that core group that is committing most of the crime. And what we have done is--the research has indicated we should target that population, provide them with the services, and then the aftercare component, that is where we get the real biggest bang for the buck, by targeting in on that population. And that is what we have done.

That is where we have seen the most increase.

FAITH-BASED INITIATIVE

Mr. Fattah. You won an award for a \$2 million faith-based initiative here in the District through the Department of Justice?

Mr. Quander. Yes.

Mr. Fattah. Can you just talk a little bit about the work that is being done with the various denominations and their interaction with your population, your offender population?

Mr. Quander. Yes. The District government was awarded \$2 million. And we have taken the lead in putting together a program that allows us to tap into the faith-based community that is here in the District of Columbia. And as a result of that, we have been able to sign up 25 member faith institutions which cross the gamut as far as religious institutions.

And we were able to match, at least right now, at least 80 offenders with mentors and churches. As you know, religious institutions have a wealth of programs. There are clothing ministries, their job ministry, there are all sorts of ministries. And we have been able to tap into that. And as a result, it has allowed us to give additional support and accountability to the offenders.

The offenders have more of a connection with the community. And the thinking is, the more connection that you have, the more support that you have, the more mentors that you have, the less likely you are to go out and commit a new crime. And it is new. We just celebrated our first anniversary. We don't have a lot of data yet, but we do have anecdotal data which indicates that it is working. We are increasing the number of faith institutions that want to participate. And there is a pretty serious series of training to participate in the program.

Mr. Fattah. Thank you, Mr. Chairman.

Mr. Frelinghuysen. Thank you, Mr. Fattah.

Dr. Weldon.

PRISON FELLOWSHIP

Dr. Weldon. Thank you, Mr. Chairman. And let me join with Mr. Fattah in welcoming you to the chair. And as I said, I am looking forward to working with you.

I consider Washington, D.C. to be America's city. And even though my District is down in Florida, I certainly want to be able to do what I can to try to make Washington, D.C. a model city in all areas. And this certainly, the work that you do is very, very important.

I want to just know, down the line of questioning regarding the faith-based thing. I understand Chuck Colson operates--the former Nixon administration official--a ministry called Prison Fellowship. Is he involved at all with some of the work that you are doing through the faith-based initiative? I know that he has a program called Angel Tree, where around Christmas time they try to get people to buy gifts for people who are incarcerated. And they come to my church in Florida every Christmas time. Are they involved at all?

Mr. Quander. They are not involved in the formal program that we have with the faith initiative. But we do have an affiliation, as far as with the Angel Tree program. But not with the actual mentoring program that we have.

CHURCH OF SCIENTOLOGY

Dr. Weldon. I was looking at some of your material. And I noticed the Church of Scientology is one of the churches involved. I have seen press reports over the years about civil actions that that church has been involved with in terms of the IRS going after their tax deduction status, and some parents of young people who have been involved with the church claiming it was cult-like.

What has your experience been with them in terms of the work that you are doing?

Mr. Quander. Let me try to answer the question this way, if I can. When member institutions indicate that they want to participate with us, there is a screening process, and then there is a training regimen that is undertaken. It covers a period of time that the individuals have to go through to show their commitment and to learn what it is that is involved, as far as mentoring and dealing with the offender population.

We have quality assurance staff on board that actually will monitor and make sure that all of the rules and the regulations that we have established are being complied with. That is being done as far as the Church of Scientology, or the Baptists, or the Episcopalians or the Archdiocese of Washington, D.C.

Dr. Weldon. So your experience has been good so far with them?

Mr. Quander. Yes.

CASELOAD RATIO

Dr. Weldon. You mentioned in your testimony your target caseload per worker is 50 offenders, I think in the parole program; is that right?

Mr. Quander. Right. On the probation and parole side, it is 50 to 1 in our general population.

Dr. Weldon. Is that a national standard that is recommended?

Mr. Quander. It is a goal that is there. Not many jurisdictions are achieving that goal.

Dr. Weldon. How would you compare Washington in that regard? Would you consider your work to be better than---

Mr. Quander. We are better than most.

Dr. Weldon [continuing]. Most jurisdictions?

Mr. Quander. There was a recent article, I think in a paper

that I read out of Annapolis, Maryland, that was dealing with the issue of parole, supervision and probation. And I believe their caseloads were in the area of 111 to 1.

So we are right now at 56 to 1. We think with the appropriation in 2003, we will be at 50 to 1 for the general population, which allows us to do a lot of the things that we are doing.

When we have an individual, for example, who is on maximum supervision, that individual has to be seen eight times by his CSO.

Dr. Weldon. Per month?

Mr. Quander. Per month; four times in the office, four times in the community. So we are out making sure we are doing the home visits and we are going to places of employment, we are talking to family members. Because oftentimes, family members, if you can establish that bond, will pick up the phone and say, hey, you need to get Paul in, because Paul is sliding down the slope. So we can get people in and we can try to work with them.

Our goal is to try to keep people in the community as long as we can do it safely. But if not, we will violate them or ask that they be violated.

Dr. Weldon. I would assume that that is very critical in terms of the recidivism issues that we are talking about?

Mr. Quander. It is key.

Dr. Weldon. And basically, public safety, maintaining public safety?

Mr. Quander. Absolutely.

Dr. Weldon. Well, thank you very much, Mr. Quander. I appreciate the work that you do for the city, and I yield back, Mr. Chairman.

Mr. Frelinghuysen. Thank you, Dr. Weldon. Mr. Culberson from Texas, a new Member of the Committee. Thank you very much for being here.

Mr. Culberson. Thank you, Mr. Chairman. I have another committee meeting going on. I don't have any questions at this time. Thank you.

TRAINING

Mr. Frelinghuysen. Well, I have quite a few questions. I spent 11 years in county government, so it is also good to know that New Jersey and Pennsylvania are joined at the hip here. I have an appreciation for the type of work probation officers and parole officers do.

Can you tell me a little bit about what you do for those individuals in terms of their training? Some of the individuals you are working with here are at times extremely dangerous. Even though they have been released to the community, they obviously have been involved in criminal acts. I just wonder what you are doing relative to the training aspect, appreciating the fact that--to follow up on many of these individuals, it does involve the Metropolitan Police Department.

But I would like to know more about the training and how you equip the men and women who have these specific roles to follow relative to probation and parole.

Mr. Quander. We have a training academy that all of our CSOs have to participate in and successfully complete and graduate.

That training academy covers a 7-week period of instruction on supervision and control and monitoring. Everything from how do you talk to an individual, how do you investigate and ask questions, all of the way to how do you pull information out so that you can get the information that you need to sort of develop a treatment plan.

How do you know when an individual is being less than honest with you, or family members are being less than honest with you? As I indicated, we require our workers to go out to the homes and to visit, right to the door, to see what the home life is like, so we can have the best information so that we can provide it to the court or to the U.S. Parole Commission.

Our officers are not armed. What we do sometimes is we go in teams. Sometimes we go with members of the Metropolitan Police Department. And we use the skills that we have. Fortunately, since I have been in place, and I think throughout the history of the Agency, we have not suffered any violent attacks against our employees. We are fortunate. We are vigilant.

I do go out with the CSOs. We pick them randomly just so that I can get a feel and an unvarnished view of exactly what they do day in and day out so that I can have an appreciation for that. The staff also has access to a safety committee. They also have access to me and the top members of our staff so that they can raise with us any issues of security that they may have.

But, sometimes they are the best judge of what is out there and what is best for their safety.

Mr. Frelinghuysen. Thank you. I see Mr. Doolittle has joined me. Let me also recognize Eleanor Holmes Norton, a fantastic representative, Congresswoman from the District of Columbia. Thank you for being here with us today.

Mr. Doolittle.

Mr. Doolittle. Thank you, Mr. Chairman. I apologize for arriving late. At this point, I don't have questions. But I look forward to listening to the testimony that comes.

Mr. Frelinghuysen. Mr. Fattah, do you have any further questions?

OFFENDER RELEASE PROCESS

Mr. Fattah. Thank you, Mr. Chairman. Let me just ask one. Hypothetically I am an offender. I am being released from incarceration. Can you walk the Committee through how the Agency is engaged from the outset with an offender?

Mr. Quander. Certainly. If you are an offender who is being released from incarceration, you are being released from the Bureau of Prisons, and we have a relationship with the Bureau of Prisons. The Bureau of Prisons essentially releases approximately 50 percent of the population into a halfway house.

If you go that route, through a halfway house, you will be placed in the halfway house. We have staff members located in all of the halfway houses that we supply, which actually helps

with the transition. Actually, even before you get to the halfway house, we receive the paperwork. We start developing a plan. Our goal is to make sure, and we see that the evidence shows that that first 30 to 90 days is key to an individual's successful completion of supervision or probation of any type.

So what we try to do is concentrate in that first 30 days where you are going to be staying. Are there any substance abuse issues? Are there employment issues that we need to resolve? Family stability is going to be key.

So we have staff in place at the halfway houses, as soon as you get out, that are working on that transition. Once you have left the halfway house, then it is automatic. You move into general supervision where your probation or parole officer knows you are coming. We have the case plan. There is an assessment that is already done. We know your risk level and we know what needs you have as far as that assessment, whether substance abuse.

If you are reading on the 6th grade level, we need to get you in a literacy program. If English is not your first language, if are you not fluent in English, we need to get you in a program so you can learn the language so that your chances for employment and stability increase. So those things are done.

On the other side, that other 50 percent that does not come through the halfway house because of Bureau of Prisons policy or their regulations, those individuals come directly into the community. And we have a much more difficult time in getting them assessed and placed quickly. We do it. But it is a little more work on our part.

They don't have the benefit of going through the halfway house. And the halfway house is key. Because it just provides a place where we can do all of the work we need to do in one location, where we have better control over the individual, because we can control when that individual comes and when that individual goes. And the community is better protected.

Mr. Fattah. What if I am in a pretrial circumstance and, for whatever reason, the Court has decided that there should be some supervision. So this 8,000 group that you have got who have not been adjudicated yet?

Mr. Quander. I think the average length of stay on that pretrial status is about 170 days. And the Pretrial Services Agency has again a graduated hierarchy for what type of supervision is needed.

If you are an offender in which the court thinks you need the maximum amount of supervision, then they have a special unit that provides that type of supervision with a lower caseload, which may mean electronic monitoring, which will be phone calls to ensure that you are where you should be.

And other sorts of monitoring tools to make sure that you are exactly where you are. So they provide the same type or a similar type of strategy to approaching supervision and making sure that individuals are where they are and not out committing crimes.

Mr. Fattah. Thank you, Mr. Chairman.

Mr. Frelinghuysen. Much of the success of your agency depends on your relations with the Federal Bureau of Prisons, the U.S. Parole Commission, and the D.C. Courts. Do you have partnerships with those agencies?

Mr. Quander. We do.

Mr. Frelinghuysen. How would you judge those partnerships?

Mr. Quander. Most of the partnerships are very good.

Mr. Frelinghuysen. Are they committing enough of their own resources towards the goals that you have, the responsibilities that you have?

Mr. Quander. The answer--if I can start with metropolitan.

Mr. Frelinghuysen. You are successful. I think the Committee would like to find out to what degree they are helping to make you successful, because we have ways to help, so we are interested in knowing this.

Mr. Quander. To a large degree, we are very successful. And a lot of that success is dependent on the partners and the partnerships that we have. As I indicated, 50 percent of the offenders returning to the District come through halfway houses.

I think we can be more successful if a greater portion went through a halfway house. We can provide services in a more concise and meaningful way if they came through that halfway house.

As far as the Metropolitan Police Department, we have a very good relationship with them.

Mr. Frelinghuysen. But it is only the 50 percent that goes through halfway houses, is that correct?

Mr. Quander. Yes.

Mr. Frelinghuysen. What happens to the other 50 percent? Is there something that is preventing them from utilizing it other than the lack of halfway houses? Is there something going on with the Bureau of Prisons?

Mr. Quander. There are certain policies.

BUREAU OF PRISONS POLICIES

Mr. Frelinghuysen. Maybe you could talk about those policies for a moment which are not assisting your objectives. Are there some policies that are hindering your work?

Mr. Quander. There are some policies and practices that the Bureau has in place that they must follow that deal with the individuals who are being placed in the community.

For example, if an individual has a history of abscondence or escape from a halfway house, they have been in a halfway house before, they have absconded, I believe it is the Bureau's policy not to place that individual back in a halfway house.

There are certain classifications of offenders, for example, sex offenders, that the Bureau either, because of policy or either because of community concerns or contracts that they have with the various communities, are hesitant to place certain types of offenders in the halfway houses.

So there are a number of constraints. The Bureau of Prisons would be more appropriate, I would think, to respond, because they know their policies, they know what governs and what drives them.

And I essentially know the results that we are faced with.

We have a good cooperative relationship, and we are continuing to work with it. But, as I indicated, I think it would enhance our ability to do the job that we have to do if there were a greater number of individuals returning to the District that went through a halfway house.

Mr. Frelinghuysen. Mr. Doolittle, any comments or questions?

Mr. Doolittle. Well, just to clarify then for my understanding. Apparently there are certain classes of individuals who commit those forceful sex felonies that are just held in prison, they are not released on parole or through a halfway house; is that right?

Mr. Quander. It is my understanding that the vast majority do not go through a halfway house. It is that type of offender that I would like to have in a halfway house for that transitional period.

Mr. Doolittle. When they eventually come out of prison, you mean?

Mr. Quander. They are coming out. I want that ability to have that time slot that I can work with them so that they can know the rules, so that they know the regulations, so that they know what we are doing. It is important for individuals to know that we have a partnership with the Metropolitan Police Department, that we come in and knock on your door, that we check on your place of employment.

What I want to do is make sure that people know what is out there so they won't do it. If they don't know, sometimes they think that they can slide off. We want to make sure that we have everyone clearly notified as to what the rules and regulations are and that we are here to support them.

But, at the same time, we are going to be very vigilant and we are going to hold them accountable.

Mr. Doolittle. We have registration for all sex offenders, I believe they are registered in California. It is a lifetime registration requirement. Does D.C. have something like that?

Mr. Quander. Yes. There is a sex offender registry that we maintain, and that we are up and running on.

Mr. Doolittle. Good. Thank you.

HALFWAY HOUSES

Mr. Frelinghuysen. I just need a little bit of a clarification here. So people are getting out and some are lucky enough to go to a halfway house. I would like to know where they are. I assume like in many cities and states, there are not enough. Are some located in this city and some outside in other jurisdictions? But you are basically saying that there are a lot of people going back into the community that don't check into any halfway houses. Is that what you are saying?

Mr. Quander. Yes.

Mr. Frelinghuysen. Well, that would be disturbing, especially if the make-up of those individuals--as Mr. Doolittle stated in his remarks--did certain crimes that are particularly heinous.

So I need to know whether that is accurate. Is it that they are returning to the community without checking in to a halfway house? I'll go to Mr. Fattah.

Mr. Fattah. Let me try to clarify this for the Committee's benefit, and we can maybe talk at some point about it from a policy standpoint. You have got a number of issues. One is, when you go to put a halfway house in Mr. Doolittle's neighborhood, he and his civic association community say we don't want it.

Then the people from the administration sit down with the community and say this is going to work and so forth and so on. The community says okay, you can do it, but no sex offenders. And so you get a commitment. You have a halfway house. You got a deal with the neighborhood. And so your halfway house is running. You have got community support.

So part of the difficulty in putting certain individuals into the halfway house is the kind of not-in-my-neighborhood syndrome, in terms of location of halfway houses. The halfway house program works well for parole purposes, because it gives them a chance to work with these offenders as they are reentering the community.

And the 50 percent that don't go to the halfway house, it is--in making the connection with your parole officer, it gets to be more difficult because they don't have you for a period of time in which they can interact with you. It would seem to me that there still should be some larger group of the population that would not offend neighbors' sensibilities in terms of being able to be located in halfway houses. There may be other ways, including having some of your employees at the prison location prior to release, having an interface with these inmates so that there is some connection. So there may be some other ways around it, but I don't think that you want to lose support in the communities for halfway houses by forcibly putting in a population that the community would be highly suspect of.

Mr. Frelinghuysen. I agree with you. I know back in my home state, the last thing that people want is a sex offender in the neighborhoods, much less any type of a halfway house, even if it is for young juveniles, men and women.

I think Mr. Fattah has made some excellent points. There are so many points along the road here with the Bureau of Prisons where in fact, the involvement of your people could be more beneficial. Is there some reluctance on the part of some bureaucrat? Is there some policy that stands in the way of helping you achieve your mission?

I think you are doing a darn good job. We are all on the same side here. We want to help you.

Mr. Quander. Let me respond this way: We are doing some things now that extend beyond what is normally done in probation and parole. Now, we do have relationships with the Bureau of Prisons where we don't wait until the individual comes. We actually sometimes will go down to the various facilities.

There is a facility in North Carolina, Rivers, that is a contract Bureau of Facility in which there are about a thousand men who are D.C. Offenders. We are going down there next week to establish a faith-based program, and to continue our works in our traditional intervention program.

So we are not waiting until they actually get to a halfway house, or they don't come to the halfway house at all, we are

actually going to the institution so we can start verifying that information. We will get those family contacts, we tell them where they need to report so we can gather them.

The Bureau of Prisons, their policies essentially exclude, for the most part, from going into halfway houses, individuals who have committed arson, sex offenses, murders and other serious violent crimes and escapes.

And we are working with them so that we can hopefully get some of those individuals into the appropriate community placement, because that is the population that we need to work with. We need--we are asking for 120 days. That would be optimum for us to work with individuals, get them up and going so that we can provide the type of assistance that we need to enhance the public safety.

Mr. Frelinghuysen. Mr. Doolittle, do you want to add anything to that discussion?

Mr. Doolittle. Maybe just to ask for information. How many halfway houses are there within the District of Columbia?

Mr. Quander. There are seven halfway houses that are operated by the Bureau of Prisons. The Bureau of Prisons is responsible for operating all of the halfway houses, we don't.

Mr. Doolittle. So anything that is a halfway house is operated by them?

Mr. Quander. Yes. But we have staff to help and assist with the transition.

Mr. Doolittle. Well, I know, it is a problem that in the City of Sacramento it was revealed that they had 90 halfway houses in the downtown area. It is hard to believe. But that was a source of a lot of extra criminal problems associated with that. And one of the reasons you know the neighborhoods obviously don't want these is the--the fear of crime being associated with them.

And if you are going to--it is obviously a social problem that needs to be addressed. We have, for those violent sex offenders, we have figured out the law in such a way they essentially serve almost a life sentence, which removes a lot of them from the streets.

And I don't know--I guess it is that way here, isn't it pretty much? How does that work?

Mr. Quander. No. There are different offenses and different ranges of sentencing.

Mr. Doolittle. Is it D.C.'s own law or is it the Federal law that governs?

Mr. Quander. District of Columbia law.

SENTENCING STRUCTURE

Mr. Doolittle. Do you, for example on forcible sex felonies, allow for concurrent sentencing?

Mr. Quander. There are concurrent sentences. That is an appropriate sentence. And it is handed out. But I believe the pattern more likely than not is for consecutive sentences if there are multiple counts. But it is up to the discretion of the sentencing authorities, the Superior Court judge.

Mr. Doolittle. But they have tended to take a tougher line?

Mr. Quander. It is hard for me to say. And I don't have any data in front of me.

Mr. Doolittle. One of things you might just take a look at is California's experience. We passed a law mandating full separate and consecutive terms for multiple offenses for enforceable sex offenders. And we found that I think the general statistics are quite high for crimes being committed by recidivists.

But for enforceable sex felonies like two-thirds of forcible sex felonies are committed by recidivists. So if you can isolate that group and lock them away forever, you will see a dramatic reduction.

Mr. Quander. Well, there is, under the sentencing structure for first degree sex offenses, it can be up to life, and actually can be up to life without the possibility of parole. So the sentences have--there is a sufficient sanction that is there. And the court, in appropriate cases, will apply that sanction.

Mr. Doolittle. Well, it is not truly a life sentence. Well, maybe it is. We have changed the law since three strikes you are out and all of that. But the idea was that, you know, if you have committed three or four rapes, for example, that is going to be 6 plus 6 plus 6 plus 6 and you have served now almost all of it, it is now served in prison, it used to be there, was so much time off for good time. But, they have really tightened up on that. We really have seen some positive results, I think, because of those kinds of laws.

So I was curious to see how it worked here. It sounds like here they are at least tougher, even if you don't ban concurrent sentencing.

Mr. Quander. The sentencing has changed in that they have gone to a truth in sentencing, whereby instead of sentencings being like a third, 3 to 9, or 12, now you are actually serving at least 85 percent of your sentence.

Mr. Doolittle. I think that is a positive development, especially for these violent crimes that tend to be committed by repeat offenders. Thank you.

RE-ENTRY APPROACHES

Mr. Fattah. I appreciate the comments of my colleagues. Sex offenders are a very small part of this overall population that you are dealing with. I don't want us to miss the point. You have got thousands of offenders who are going to reenter these neighborhoods. The question is, what is the best transition, and how to keep them from reoffending.

California, as my colleague has mentioned, has got a number of innovative approaches. One is in the city of Oakland, where when offenders are being released from prison, they had--the department that you run there--arranges an individual meeting with the offender, the mayor, the police commissioner, and a number of other providers of services in Oakland. They are given what I guess most of us would refer to as the carrot and stick approach, in which they are offered assistance in terms of job training, job placement, and all kinds of other assistance. And they are also informed by their parole officer that the police department is going to be paying particular attention to them.

It is actually a very innovative approach. It doesn't have

a long time line on it in terms of data, but it has been running for, I guess, a year or so now. You might want to inquire as to your counterpart there as to how that is going.

Mr. Quander. Actually we are doing that now. We have a mass orientation whereby anyone that is released on probation or parole, we gather them together. We either meet at a church or at a metropolitan police district. We attend, members of the Metropolitan Police Department, the U.S. Attorney's Office has joined us recently. It is the same approach. We go over the regulations. We tell them what they can expect and how we are going to be coming and we are going to be checking on them. We are going to be vigilant.

Mr. Fattah. I am not sure how you get better numbers than you have just mentioned. It is just something that is of note. And, you know, may have some utility. I am glad that you are following through on it, because I think face to face communication is always helpful with people.

Mr. Chairman, I am concluded.

HALFWAY HOUSES

Mr. Frelinghuysen. All right. I will conclude in a minute or two. I just wanted a little bit of clarification. There was a recent shutdown of a halfway house in the city, right?

Mr. Quander. That is correct.

Mr. Frelinghuysen. To some extent, this is why you are asking for \$224,000 for additional electronic monitoring.

Would you be good enough to provide the Committee with the information on where we stand relative to halfway houses, either in the District or outside the District?

Mr. Quander. Yes.

[The information appears on page 27.]

PARTNERSHIPS

Mr. Frelinghuysen. I would also like to know more about partnerships, and this will be in some of the questions we will submit to you, which we hope you can respond to. Mr. Fattah has a lot of experience in this area, and his knowledge is invaluable. We are going to work together to see whether Federal policies, whether the Federal jurisdictions and agencies are doing all that they should be for you.

Can you just assure the Committee that the District agencies--all the District agencies--are working together to your satisfaction?

Mr. Quander. They are. As I indicated, the Metropolitan Police Department is a partner with us. Their patrol officers, their lieutenants, I have met with each of the assistant directors for the different branches. We are working on things whereby their officers and their lieutenants will be in our buildings. We are going to be in some of their buildings so that we have better access to the offender population.

When we do these mass orientations, we tell the offenders that in fact the Metropolitan Police Department, they have their photograph, they have their nicknames, they have all of that information, not that we can harass, but just so that everyone knows where we are. It is a level playing field.

So we have that leadership. We also have that partnership as far as our Assessment and Orientation Center at Karrick Hall, which we have been slowly trying to get that on board. We are ready to go. Congress has authorized us to use that facility. You have appropriated it.

KARRICK HALL RENOVATIONS

Mr. Frelinghuysen. Through Mr. Knollenberg's good work, you got \$13 million. Is that renovation work presently in progress?

Mr. Quander. We are waiting on the District government to complete. I am not--we are waiting on the District government to fulfill some of its obligations. So we are not----

Mr. Frelinghuysen. Still waiting on a few permits?

Mr. Quander. I am not sure exactly what. But we are not where we are supposed to be just yet.

Mr. Frelinghuysen. All right.

Mr. Doolittle.

HALFWAY HOUSES

Mr. Doolittle. One last clarification. What is the average size, would you say, of the population of the halfway houses?

Mr. Quander. It varies. There is one large halfway house, Hope Village. And their numbers can go probably as high as 400, maybe even more than that. Then there are some smaller halfway houses, some that cater especially to the female population, which is maybe 19.

So it varies. It runs the gamut. In the larger halfway houses, we have a significant amount of staff. In the smaller halfway houses, we may have a staff of one or two that are present to deal with some of the issues that are there.

Mr. Doolittle. Thanks.

Mr. Fattah. Mr. Chairman, I just thank you for conducting this hearing. And we will follow up on a number of those issues. And I am encouraged that the District will be finishing up the issues related to Karrick Hall and we will be able to go forward there. Thank you.

Mr. Frelinghuysen. Agreed. I think we will submit some questions, if you can get back to us on a timely basis.

Mr. Quander. Certainly will.

Mr. Frelinghuysen. This concludes this hearing. Thank you very much.

Mr. Quander. Thank you.

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Wednesday, April 30, 2003.

DISTRICT OF COLUMBIA COURTS, DEFENDER SERVICES, AND PUBLIC DEFENDER
SERVICE FOR THE DISTRICT OF COLUMBIA

WITNESSES

ANNICE M. WAGNER, CHAIRPERSON, JOINT COMMITTEE ON JUDICIAL
ADMINISTRATION AND CHIEF JUDGE, DISTRICT OF COLUMBIA COURT OF
APPEALS
RUFUS G. KING, III, CHIEF JUDGE, SUPREIOR COURT OF THE DISTRICT OF
COLUMBIA
LEE F. SATTERFIELD, PRESIDING JUDGE, FAMILY COURT, SUPERIOR COURT OF
THE DISTRICT OF COLUMBIA
RONALD S. SULLIVAN, JR., DIRECTOR, PUBLIC DEFENDER SERVICE FOR THE

DISTRICT OF COLUMBIA

Opening Remarks

Mr. Frelinghuysen [presiding]. The meeting will come to order.

Before I begin, I want to thank our host who is not here, Chairman Henry Bonilla of Texas, for us allowing us to use his hearing room. This is the Agriculture subcommittee hearing room.

I would like to welcome everybody here this afternoon. Joining me, to my left, is Chaka Fattah, the Ranking Minority Member of this subcommittee. We would anticipate that other members will be joining us as the time allows, but it is great to have the Ranking Minority Member here who has a wealth of experience, who has also been very helpful to me as we have conducted some public hearings, as well as some private briefings.

We are receiving testimony today on the fiscal year 2004 budget request for the District of Columbia Courts, Defender Services, and Public Defender Service for the District. Through the National Capital Revitalization Self-Government Improvement Act of 1997, the Federal government assumed financial responsibility of certain state-level functions, including the District court system and defender services. While the appropriation for Public Defender Services is provided through the Court Services and Offender Supervision Agency, they are here today testifying alongside the D.C. Courts because of the nature of their work.

We look forward to opening statements and learning more about what each of you do and how you work together to better serve the citizens of this city. I know all members of Congress, certainly members of this committee have a keen interest about your work. So it is a special pleasure to welcome you here today and to be updated on what you are doing.

I yield, if I may, to Mr. Fattah for any opening comments he may have.

Mr. Fattah's Opening Remarks

Mr. Fattah. Thank you, Mr. Chairman, for convening this hearing. Moreover, thank you for the spirit in which you have embraced and engaged your new assignment. We have spent, I think, a considerable amount of time looking at some of the issues related to the District. I think even though progress has been made in the past under Chairman Knollenberg, I sense even more progress on behalf of the District's residents through your their leadership. I just want to thank you for the spirit in which these hearings and meetings have been taking place around District affairs.

I have met with many of the panelists in years past and I have spent long hours reviewing some of these issues. Since this is the first time this year to see them, and I want to welcome them.

And I would yield back my time.

Witness Introductions

Mr. Frelinghuysen. Thank you very much.

Today, we will hear testimony from Chief Judge Annice Wagner, Chairperson of the Joint Committee on Judicial Administration and Chief Judge of the District of Columbia Court of Appeals; Rufus King, Chief Judge of the Superior Court of the District of Columbia; and Ronald Sullivan, Director of the Public Defender Service for the District.

Also at the table is Lee Satterfield, Presiding Judge of the District's Family Court. Judge Satterfield will not be presenting an opening statement, but he will be available to answer any questions that might be related to the Family Court. We hope that we will have an opportunity to hear from you as well.

I understand there may be others here today that may be called upon to answer questions, but they are not seated at the table; some of those individuals behind you. We welcome all of you here this afternoon.

Your entire statements will be entered in the record. So, I ask if you would be kind enough to highlight your statement for the committee.

We will start with Chief Judge Wagner. Please proceed.

Acknowledgement of Blondell Reynolds Brown

Mr. Fattah. Mr. Chairman, before we proceed, I just want to acknowledge the presence of a local councilperson from my district in Philadelphia, Blondell Reynolds Brown, who is to spend some time here this afternoon. And I do want to acknowledge her presence. Thank you.

Mr. Frelinghuysen. Thank you for being here.

Chief Judge Wagner's Opening Statement

Judge Wagner. Good afternoon, Mr. Chairman, and Congressman Fattah.

Thank you for inviting us to come to discuss the fiscal year 2004 budget request for the District of Columbia Courts. I am here as chairperson of the Joint Committee on Judicial Administration and chief judge of the D.C. Court of Appeals.

With me is Chief Judge Rufus King III, who is the chief judge of the Superior Court, and Ms. Anne Wicks, our executive officer, is sitting behind me. She is the secretary of our joint committee as well. And of course, you have indicated Judge Satterfield.

Unquestionably, we live in an environment that is new. We are facing new challenges to our nation, our nation's capital and to our court system. Whatever challenges we face, the fair and effective administration of justice remains crucial to our way of life in this country. The District of Columbia courts are committed to meeting these new challenges. We have been steadfast in our mission, which is to administer justice fairly, promptly and effectively.

At the same time, we have been enhancing our security systems and emergency preparedness activities in order to protect all of the people who come into our court buildings on a daily basis and to ensure continuity of operations in this

new environment.

The courts are also committed to continue fiscal prudence and sound fiscal management. And we appreciate the support of this subcommittee that it has given us in making possible the achievements of our goals for this community.

To support our mission and strategic goals in fiscal year 2004, the D.C. courts are requesting approximately \$200 million for court operations and capital improvements, and \$44.7 million for the defender services account.

The breakdown of the operating budget for the court, the court system and the Court of Appeals is in your materials. There is something I should say at the outset, and that is that since we submitted the budget, there has been a change in our capital budget request. As you know, our capital requirements are significant because they include funding for projects that are critical to maintaining functional and safe courthouse facilities.

The courts have been meeting with General Services Administration, which is the agency that is serving as program and project managers for the court's construction and renovation projects. As with any complex construction project, we are informed that approaches are refined as design and acquisition and construction plans change.

Two points should be emphasized: that these changes, first of all, do not in any way delay the plans for the expansion of the Moultrie Building, the re-adaptation of the old courthouse for use by the D.C. Court of Appeals or the Family Court plans, which will be discussed later.

These changes merely shift the timing of the capital needs requirements. The shift in timing of funding requirements has had no impact on the construction time line, and all capital projects remain on schedule at this time.

We have revised our capital request for fiscal year 2004 to \$52,889,000. The request we feel is fiscally responsible and is in recognition of the realities of the situation.

Let me just highlight a few of our other budget priorities. Perhaps before I leave capital, I should say that we have a master space plan that will guide our direction for the next several years. This plan has been developed with the assistance of expert designers, urban planners, architects and engineers who understand court needs and they have assessed a shortfall in our space requirements, which is about, at this time, 48,000 square feet for operations. But there is anticipated shortfall over the next decade of 134,000 square feet.

Our master plan has four key components: renovation of the old courthouse for use by the jurisdiction's court of last resort, the D.C. Court of Appeals. This will free space in the Moultrie Building, which can then be made available for trial court operations as well as the Family Court. It also includes construction and an addition to the Moultrie Courthouse, a major portion of which will be developed as a separately accessible Family Court facility, and the future occupation of Building C, which is adjacent to the old courthouse.

You know the historical significance of this building, and I need not mention it, and the architectural significance. It is a historic treasure that was commenced construction in 1831. It can be readapted, it can be used today for the functions for

which it was originally intended.

There are many other budget priorities, and I will mention them briefly. They are in my testimony. We, of course, must enhance public security. We have over 10,000 people in the Moultrie Building on a daily basis, according to reports, and in order to address the security issues, we are requesting some \$6.5 million for that.

Information technology is important, and a key component out of any court system, to achieve the court's goal of a case management system that provides accurate, reliable case data across every operating area, and of making available appropriate data for the judiciary, and also information for the District's child welfare and criminal justice communities, the court requests \$4,163,347 in operating funds for the IT infrastructure.

We are requesting \$615,000 for strategic planning. We have undertaken a strategic plan that has been adopted by the court that will guide our direction for the next five years. We are working very hard to improve operations everywhere throughout the courthouse.

And trial records in a court of record are key. If you do not have accurate trial records, you cannot have a good court of record. And so, we are asking for a sum to invest in court records, in equipment and digital recording capabilities that will address this.

Also, we want to continue our strengthening of defender services, which is operated, really, in recent years, with--I do not want to say really more money than we needed, but it is money that carries over from year to year. And we are fast-reaching the point where we need to get new money into that pot. And so, we are asking also for an increase for attorneys from the rate of \$65 per hour to \$90 per hour.

Other than that, Mr. Chairman and Congressman Fattah, I will submit on the papers.

I want to just say that our courts do enjoy a national reputation for excellence, and we are proud of our record in that regard. And adequate funding is necessary to continue in this vein.

[The prepared statement of Chief Judge Wagner appears on pages 102 through 107.]

Mr. Frelinghuysen. Thank you, Chief Judge.

And the chair recognizes and welcomes Representative Cramer.

Thank you for being with us.

Judge King.

Chief Judge King's Opening Statement

Judge King. Good afternoon, Chairman Frelinghuysen, Congressman Fattah, Congressman Cramer. I appreciate the opportunity to join Chief Judge Wagner in presenting the D.C. courts' 2004 budget request to the subcommittee and to review some of the Superior Court's accomplishments over the past year.

At the outset let me thank all of the committee as a whole for your generosity with your time, and especially the time you took, Mr. Chairman, to visit the D.C. courts, as well as the

committee's consideration in the necessary funding for a number of shared objectives. It is a pleasure to have such a positive working relationship.

I want to underscore all that Chief Judge Wagner said about the court's needs, especially regarding capital. To function effectively, and especially to implement the Family Court Act in a manner consistent with its highest purposes, the court needs to have adequate facilities and a level of information technology that supports its efforts.

I would like to review just a few of the accomplishments of the Superior Court over the past year before submitting for questions.

On October 30, the Superior Court officially opened the first satellite Domestic Violence Intake Center in the nation. Located in Anacostia, the center allows domestic violence victims to petition for a temporary protection order via web camera to a judge in the courthouse, never leaving their own neighborhoods. The judge can then issue the order by fax.

Criminal Division Presiding Judge Noel Kramer, working with prosecutors, police, defense attorneys, service providers and the Downtown Business Improvement District, spearheaded development of a community court for minor misdemeanors and traffic cases.

This court established a forum in which the defendants charged with traffic cases and some quality-of-life crimes, like panhandling or possessing an open container of alcohol, are given appropriate diversion opportunities, such as alcohol education or an opportunity to obtain a driver's license, and community service sanctions, all on the first day in court.

This approach has sharply reduced the need for police appearances in the courtroom, more efficiently used indigent defense resources, and resulted in many fewer continuances of cases.

The court also established a community court on a pilot basis, working in consultation with the Metropolitan Police Department and the United States Attorney's Office. In this court, modeled after the Manhattan and Red Hook Community Courts in New York, Judge Kramer resolves misdemeanors arising in the 6th Police District, and shortly the 7th District will be added.

After listening to community and civic leaders, the court, with the Department of Employment Services, the Pre-Trial Services Agency and others, has fashioned diversion opportunities that provide an accused with alternatives to a life of crime and drugs.

In the family court, Judge Satterfield, working with court officials and stakeholders, has overseen the transfer of more than 3,000 neglect and abuse cases back to judges within that court.

This established new rules, procedures and attorney practice standards, set up paternity panels for abuse and neglect cases, held numerous training sessions for judges and magistrate judges, and a cross-training session for judges, attorneys, social workers and others.

We seek input from relevant stakeholders, opened the Mayor's Liaison Center to increase coordination of services to children and families, trained new judges, opened a help center

for self-represented parties, and met all deadlines in reporting to Congress, as required under the act.

We have begun implementing the policy of one family, one Family Court judge, and in a neglect case of one family member also handles cases involving other members of that family. And this is applied to most of the cases filed after June 2002.

The conversion to an integrated justice information system that Judge Wagner mentioned in earlier testimony has advanced on schedule with the Family Court segment set to go live in September of this year.

Mr. Chairman, Congressman Fattah, Congressman Cramer, thank you for the opportunity to testify before you today. I am joined by my colleague, Judge Satterfield, as you know, and we would both be pleased to answer any questions.

Mr. Frelinghuysen. Thank you, Judge King.

The last witness to provide testimony is Ronald Sullivan.

Mr. Sullivan, you may proceed. Thank you.

Mr. Sullivan's Opening Statement

Mr. Sullivan. Thank you.

Good afternoon, Mr. Chairman and members of the subcommittee. On behalf of the Public Defender's Service for the District of Columbia, or PDS, thank you for the opportunity to address you in support of PDS's fiscal year 2004 budget request.

As you know, the Public Defender's Service provides constitutionally mandated legal representation to indigent people facing a loss of liberty in the District of Columbia. PDS is the local defender for our nation's capital, and it is also a national standard bearer.

Throughout its 30-year-plus history, PDS has maintained its reputation as the best public defender office in the country, local or federal. It has been able to maintain its reputation because of its innovative approaches that are applied by some of the most talented lawyers and support personnel in the country.

PDS is an agency that this committee, this Congress and this community can be proud of.

PDS generally is assigned the most serious resource-intensive and complex cases in the District. With more than 100 lawyers on staff, PDS typically represents about 60 percent of the most serious felony charges, the majority of juveniles facing serious delinquency charges, nearly 100 percent of all people facing parole revocation, and the majority of people in the mental health system who are facing involuntary civil commitment.

With this backdrop, I will address our fiscal year 2004 budget request.

For fiscal year 2004, PDS requests \$25,210,000 and 218.5 FTE in direct budget authority, which includes a request for 0.5 of one half new FTE and \$100,000 to support our only new initiative, the Appellate Assistance Response Initiative.

The number of constitutionally mandated appellate cases opened by PDS has increased by 50 percent since 1997 while the number of attorneys providing these services has remained unchanged. In order to continue providing these

constitutionally mandated services, PDS respectfully requests that this subcommittee approve its very modest budget initiative.

Let me offer a brief example of how the work of the Appellate Division makes a difference to the lives of real people. Recently the DCCA contacted PDS after affirming convictions in a two-person appeal. The court was concerned because the briefs of one person--and let's call her Jane to protect her privacy--looked like it was a verbatim replica of the other person's brief even though the two had conflicting interests.

PDS's Appellate Division accepted Jane's case, convinced the Appellate Court to reopen the matter, wrote new briefs for Jane, who maintained all along that the conviction was unjust, and through PDS's advocacy, demonstrated that the evidence was not sufficient to support a conviction. Jane was acquitted. Justice was done.

In another important Appellate Court matter, PDS advanced the position that it was improper and unconstitutional for the government to exclude people from juries on the basis of religion alone, as religious freedom reaches the core of what it means to be an American. Significantly, the government recently revised its position and advised the court that it had now changed its position and agrees with PDS.

In other matters, PDS has recently increased the sophistication of its practice and services such as special education advocacy for our juvenile clients. We are the only institutional provider of special education services. And given the startling correlation between educational deficiencies and juvenile delinquency, this is a much needed service.

Utilizing the resources from our fiscal year 2003 DNA initiative, we have just litigated an admissibility issue involving a novel and complex DNA matter. Before ruling, the Superior Court judge said the following, referring to PDS and the United States Attorney's Office, and I quote, I want to say at the outset that you all are to be highly commended. These are some of the most impressive pleadings I have seen in my years on the bench. It is a credit to both your institutions that you have been able to marshal all of this in a way that reminds me of two Wall Street law firms going at it. I am sure that you all are making \$500 an hour. The only difficulty is my staff, when they came back, insisted on a pay raise.

This judge's recognition, though, is consistent with PDS's motto of providing better representation than money can buy.

With your support of our appellate initiative in our fiscal year 2004 budget request, I can assure the members of this committee that PDS will continue to look for new and inventive ways to make each tax dollar we receive build a more fair and effective criminal justice system.

I would like to thank the members of the committee for your time and attention in these matters and I will be happy to answer any questions that you may have.

RULES FOR QUESTIONING

[The prepared statement of Ronald Sullivan appears on pages 115 through 125.]

Mr. Frelinghuysen. Thank you, Mr. Sullivan.

The chair also welcomes and recognizes Congressman Weldon and Congressman Doolittle. Thank you both for joining us.

If there is no objection, we will operate under the five-minute rule for questioning witnesses. We will proceed similar to our last hearing, where I will go first, followed by Mr. Fattah, then I will recognize Members in the order in which they arrived at the hearing, alternating between the majority and minority.

We will again use the timers that are on the witness table. I am not sure I need to go through that, but there are appropriate lights that will indicate, when it is red that we would like you to cease and desist.

WORKING RELATIONSHIPS

Starting off on questions, I think Members of Congress have a keen interest in what you are doing. I am not an expert on the Revitalization Act of 1997, but paramount was the issue of resources and the other view I had is working relationships.

We are providing you with substantial resources. I think you have been using those wisely for good public purposes.

I have a particular interest in your working relationships. If you could, sort of, briefly describe, starting with the Chief Judges, what you specifically do, the clientele you serve and how you interact with one another at this table. I am sure you interact with one another, but how literally do you do it?

Judge Wagner. Barely.

The statutory construct is that there is a Joint Committee on Judicial Administration in the District of Columbia, of which the chief judge of the Appellate Court, which is our highest court in the two-tier system that we have in this jurisdiction, is the chair of the Joint Committee on Judicial Administration.

The chief judge of the Trial Court of the District of Columbia--that is Chief Judge King--administers the day-to-day operations of that court with the help of an executive officer who is like a CEO of a corporation in terms of the relationship of the executive officer to the two courts. That person, Ms. Wicks, is with us today. And she also serves as secretary of our Joint Committee on Judicial Administration.

We have formal meetings once a month with the Joint Committee. We decide policy-making matters, procurement. We coordinate the budget submissions, statistical information and data and all policy-making issues affecting the courts overall: employees and the like.

I cannot say how often we talk. We talk all of the time. Fortunately, both of us have grown up in this court system. We knew each other when we were very, very young people.

But as a group, we get together on the critical issues and make our decisions at these monthly meetings. But we also have additional meetings. When the nature of a business or the nature of a problem or the issue is of a severe nature or of immediacy, we will go ahead and have other meetings that are called meetings.

Now, in the Court of Appeals, there are nine judges who hear cases in the Court of Appeals. We sit in panels of three

deciding cases. All nine judges will sit for cases of exceptional importance if the hearing en banc is granted, or if in order to maintain consistency in the panel decisions.

And we have a board of judges in the Court of Appeals which decide certain things. The file court has a board of judges. They make rules. We review their rule-making, and we make rules of our own.

We are in the process right now of revising all of our appellate rules to try to bring them more in conformity with the rules of the federal appellate courts, which we, by statute, are required to try to follow.

So that is, sort of, the day-to-day thing. And so, we are coordinating on strategic planning. We are getting ready to go away for a two-day meeting where we will be----

Mr. Frelinghuysen. So all of you will go away, including Justice King and Justice Satterfield?

Judge Wagner. Yes, we are going to retreat. And what we are going to do----

Mr. Frelinghuysen. How do you relate to Mr. Sullivan? Is he off on another retreat, or----

Judge Wagner. No, he, as the head of the Public Defender Service, is one of the----

Mr. Frelinghuysen. I know members of the judiciary work together, and they work together I am sure----

Judge Wagner. Yes.

Mr. Frelinghuysen [continuing]. As a team. I just wondered----

Judge Wagner. Well, there are issues that may affect the movement of cases through the courts or the ability to get representation. We certainly would consult on those matters. I think that would be more of Chief Judge King would perhaps have more often consults with him.

They have an Appellate Division, and there is a head of that Appellate Division, which the Court of Appeals might have some interaction with more often than not.

But we are all in the same area, and it is very easy for us to contact each other and address issues as they come up.

Mr. Frelinghuysen. Thank you.

Chief Judge King.

Judge King. Thank you. First of all, one of the pleasures of my office is in working with Chief Judge Wagner. It has been a seamless relationship where we are able to work very easily, and we do work every day together on common issues.

I have also considered it important, and this is particularly true for the trial court, where so much of what we do affects people in the first instance, to work with other agencies, both that appear before the court and that would be operating in other parts of the city. So I have monthly meetings with the United States attorney for the District of Columbia, or with Mr. Sullivan and some of his people, with the police chief, with the head of CFSA. It is not monthly, but it is periodic and we are in touch. And Judge Satterfield has been meeting bi-weekly with her so that the court is in daily contact.

I am in fairly frequent contact with the Mayor's office, the deputy mayors in the various areas of responsibility.

And just to be sure that anybody who felt that they were

not in the right relationship with the court could do something about it, when I took office, I announced that I would have open chambers once a week where anybody at all could just walk in and they did not need an appointment or anything, they would just come in and sit down and tell me what is on their minds. And that has been a source of some additional information from the community and contacts with people who have ideas they want brought to the court's attention.

Two very quick examples of the kinds of things this can result in, in the development of the AEGIS Program--it is the new computer system--I have felt that it is very important that we develop a system that is as close as possible to a universal system so that any federal agency or city agency can connect up to us so that that is a minimum whenever we need to work with CFSA or work with the police department or work with the Bureau of Prisons or with the Federal Health and Human Services Department, it will be a relatively easy matter to just come into our system, because we have developed it along very standard lines.

And just one other thing, in developing the community court, I and the other judges involved in the effort, as well as senior court staff, spent a great deal of time going out into the community where the court would be taking its cases and meeting with the civic association leaders and the people out in the community and talking to them about what their interests were and what they thought would be important.

Mr. Frelinghuysen. I read of your public appearances. I take my hat off to you.

Judge Satterfield, want to get your oar in the water here? Care to comment?

Mr. Satterfield. On that question, Mr. Chairman, the Family Court business, we have a Family Court Implementation Committee, and that committee has all the relevant stakeholders from Child and Family Services, Department of Mental Health, Public Defender Services, Office of Corporation Council. And we meet regularly and we have numerous working groups that actually work on the relevant issues that need to be done to affect these outcomes for children.

And a good example of a recent thing that we are putting in place is actually starting tomorrow, which was a collaborative effort of all of these people at this Family Treatment Court that we are about to go online with tomorrow. It is going to help substance-abusing mothers, and their children, obviously, that are in the neglect and abuse system.

Mr. Frelinghuysen. Mr. Sullivan, please comment, and then I will go to Mr. Fattah.

Mr. Sullivan. Yes, so as not to be redundant, the only thing that I would add is that we have one additional vehicle and that is the CJCC, where not only Public Defender Service and the courts can interact but other criminal justice agencies, local and federal, in the District. And we have accomplished numerous projects through the Criminal Justice Coordinating Council.

Mr. Frelinghuysen. Thank you, Mr. Sullivan.

Mr. Fattah.

Mr. Fattah. Thank you, Mr. Chairman.

I do want to take a minute and acknowledge a new staff person assigned to our Committee to help me, and help you as we go through this and work with Carol. Rob Nabors, and I just want to welcome him to the Committee and thank him for his able assistance. He also works normally with the Commerce, Justice, State subcommittee.

Acknowledgement of Judge Satterfield

I also want to acknowledge Judge Satterfield's work, not just in modernizing the Courts here, but thank him for his work. He formerly was with the U.S. Attorney's Office, and he had a great amount of success in Pennsylvania in rounding up and putting in jail people who were selling drugs. A major bust and we appreciate that work. On behalf of my constituents in Pennsylvania, I thank you for the work that you are doing here in the District.

DOMESTIC VIOLENCE SATELLITE CENTER

I am interested in two things. One is I am very pleased with the Satellite Domestic Abuse Protection Order Program, in the hopes that from that, not only can it work well here in the District, but that it also may serve as a model for other places around the country where access to protection orders, even though they are not perfect in the sense of actually providing protection in every case, but they still are useful tools, could be more accessible, particularly to women in abusive situations.

So some comment on that would be useful.

And then, Mr. Sullivan, I am interested in the court's recent ruling, which I take it that you did not necessarily agree with, but nonetheless that the District would have the final say so in handling adjudicated, delinquent and also dependent youth. I do not know if it is both.

But in terms of their actual placement which, up to this point I understand has been under the prerogative of the Court, but now the District, based on the Court of Appeals ruling, will, in fact, have that returned to it. I know you have some comments on that, as it relates to whether or not these young people would be well-served.

I would be interested in if Judge King would comment first on the domestic abuse matter, and then we could hear from Mr. Sullivan.

Judge King. I would be happy to.

Our domestic violence unit, which is a combination and it itself is at the forefront of what is being done around the country to bring together under one judge's jurisdiction all the cases that affect a domestic abuse situation--the criminal case, the civil case, the family support case, and so on--so that one judge develops knowledge about it.

Mr. Fattah. Can we try that in English? Do you mean if there is a divorce case and a case where someone is pursuing child support, and there is a criminal case of having abused one's spouse, all that would be put up under one judge?

Judge King. Where there is a predominating abuse issue, that is correct.

Mr. Fattah. Okay, thank you, Judge.

Judge King. All those cases end up before the same judge with the exception, in our particular program, of felony cases, just because the criminal jury trial procedures are not compatible with the kinds of things that an equity court has to do.

But the satellite center is an effort is an effort to make part of that system available to the people who most need them. It turns out that something like 60 percent of our domestic abuse complainants live in Anacostia or live east of the river. And so this puts a place that they can go to out there where they are.

Mr. Fattah. Is this place a police station? What is this place? Where do they go to visit a webcam?

Judge King. It is physically located in the Greater Southeast Community Hospital building, and they have kindly arranged to lease us some space. And we have managed to arrange to have police officers able to bring warrant applications there, as well, so that in what I felt was an ingenious solution to a difficult problem we have provided security for the operation, because the police officers are coming to get warrants so they are in and out all the time.

And this not a full court, but it is a place, as you said, where you can get at least the limited protection of a protective order, and that can be obtained right on the spot.

Mr. Fattah. So women go and present themselves through the webcam to a judge?

Judge King. That is right.

Mr. Fattah. And makes the argument that they are in need of a protection order. The judge concurs, and in the case where the judge concurs the order is faxed?

Judge King. They can sign the order and fax it.

Mr. Fattah. To a police officer there, who then goes and serves it?

Judge King. To the person at the center who will then get a police officer to serve it right in the community. That is the design.

COURTRULING ON CHILD WELFARE

Mr. Sullivan. Just very briefly, the matter about which you referred is in the PS, which was handed down within the week. The issue in question was whether a statutory change in the law in 1993 divested the local court jurisdiction, once a kid was committed--and committed is the terminology of the Juvenile Court; the adult analogue would be convicted--to the system whether a judge could in fact direct the treatment of the child.

The court said, based on this 1993 statutory provision, that the judges could not, and once a child was committed all authority rested in the executive branch of government.

The position that we advanced was that the 1993 change, that it was not the intent of the council to change the court's broad discretion over directing the care and rehabilitation of the child. We also advanced--and I say this with some

trepidation, given the audience, but it was also our position that Congress did not intend for the court to be----

Mr. Frelinghuysen. You should have no trepidation. Go right ahead.

Mr. Sullivan. I do not presume to tell you what you intended and what you did not, but we argued that nevertheless.

And as you may or may not know, we are in the 16th year of litigation with the District over the care and treatment of children. So it has been our view that the District agencies, for a variety of reasons, have not well cared for the neediest children.

Mr. Fattah. I would like to explore it later on.

Mr. Frelinghuysen. Thank you, Mr. Fattah.

Mr. Cramer.

FAMILY COURT

Mr. Cramer. Thank you, Mr. Chairman, Mr. Ranking Member. I look forward to working with you on this subcommittee.

As Judge Satterfield knows, he had to listen to me last night at a function where Tom DeLay and I were co-honored for our work with children. We were talking to each other across the room.

I was a prosecutor in my prior political life. And we did not have a public-defender program, so I did not actually interact with the Public Defenders Office. But I started a child abuse program there in Alabama, a Children's Advocacy Center program, which Safe Shores is now one of.

And since I have been here in D.C., the Safe Shores program has been of special interest to me and I have been working with now two different Mayors to try to find a better place for Safe Shores and a better funding for that program, and the National Children's Alliance, which is the national network organization for our now 500 programs that we have around the country.

As Judge Satterfield knows, my dilemma as a prosecutor was those child victims that I was having to take into the courtroom, 7-year-old kids, 12-year-old kids, getting them ready to testify in criminal court. But the Family Court was a big focus of that because many times we would remove custody, or try to remove custody at the same time that we were considering facts for a criminal prosecution.

I lay all that out there and probably use most of my time in doing that. But I am very interested in the Family Court Act. I was listening and very impressed with the information that, Judge King, you gave about the Family Court transition, the cases that were being moved.

And Judge Satterfield, I congratulate you and even more so now that I know that you were a prosecutor in your prior life as well. But how is that going? How is that transition going? I am interested in the working groups you are talking about and particularly how the Safe Shores program factors into how the Family Court works with the different groups in the District.

Mr. Satterfield. I think it is going very well. I mean, the resources that you gave us have been used to implement the provisions of the Family Court Act. And just to highlight a few ones that we think will have better outcomes for children.

As the chief judge said, we are able to do the one judge-

one family, which provides more quality decision making for the children because the judges know more about the family, know more about the particular child.

We have been fortunate to be able to reduce the time it takes to litigate those legal issues in a neglect and abuse case by 66 percent, during the course of 2002.

And what that enables us to do is to get to the heart of the matter, which is deciding and making plans for the state permanent home for the child, whether the child is going back with the family or going to go to someone, adopted resource or some other type of guardian. So we have been able to do that in the last year, two years.

And training, we are just doing a whole bunch of that. And that is where a place like Safe Shores becomes involved because we like to have them come over and help us with the training for what they do in terms of how they handle children and so forth.

And there is an interconnection between what we are doing in Family Court and the prosecutor's office because we are seeing the same children.

Mr. Cramer. Did you say interconnection?

Mr. Satterfield. Because the prosecutor's office actually needs our children that we have in our Family Court as witnesses; need children that have emotional issues that affect them even testifying and so forth.

Mr. Cramer. Do they have a specialized unit within the U.S. Attorney's Office?

Mr. Satterfield. Yes, they do.

Mr. Cramer. And you think that is working well?

Mr. Satterfield. I am a little bit biased because my wife is one of the chiefs in that unit. I just wanted to throw that up front. But it is working very well.

MANDATED MEDIATION

Mr. Cramer. But how is mandated mediation affecting the outcomes?

Mr. Satterfield. That is affecting the outcome because one thing I mentioned that we reduced the time to resolve the legal issues. And one way we have done that was through the mandated mediation.

Because what happens is the parties come in and they resolve the legal issues faster, and so we are able to move to the primacy issues quicker. And it has two results.

We are able to move through it quicker and also it gets buy-in from the parents if they are involved in the case planning and they get an input in that. So we can have better outcomes with their involvement and a sense of fairness with their involvement.

Mr. Cramer. Was that mandated mediation caused by the Family Court Act?

Mr. Satterfield. No, we were doing mediation before that, not to the extent that we are doing now. We have expanded into all child-protection cases now since the Family Court Act. But we had started a program before that.

Mr. Cramer. All right. Thank you and I will get some more time in the next round. Thank you.

Mr. Frelinghuysen. I thank you, Mr. Cramer.
Dr. Weldon.

DOMESTIC VIOLENCE SATELLITE CENTER

Mr. Weldon. I thank you, Mr. Chairman, and I certainly thank all our witnesses for the good work that you do.

I had a couple of quick questions. The web cam with the orders of protection, has that ever had any legal challenges at all in the courts? Those have been very well accepted, I assume.

Judge King. They have not had any challenges here. And, of course, for a hearing which is ex parte anyway, what happens once you get a temporary restraining order issued, you then have 10 days within which to come into court for an adversary hearing. So this is an ex parte hearing to begin with and I doubt there will be a challenge.

There may be other places that we seek to use it because it obviously does make it easier to do a lot of tasks. And there could be challenges in the future, but we haven't had any so far and do not anticipate any.

Dr. Weldon. I am not saying there should be. I was just kind of curious. Lawyers always find a way to challenge anything. And it seemed like a great idea to me, but I am a doctor. Not that I am against lawyers. I am not going to say anything bad about lawyers in this room.

COMMUNITY-REENTRY INITIATIVE

We had, a couple of weeks ago, a hearing, we had CSOSA come in, and you had a community-reentry initiative. Is that different from CSOSA or duplicative? Or am I misunderstanding the community-reentry initiative?

Mr. Sullivan. It is different from CSOSA. That is an initiative that the public defender had.

We, as a function of that initiative, have opened up a community defender office. And our representation at this point, at least for a juvenile client, extends from at least the day after they are arrested through the time that they are released back into the community, one that is called after-care.

And again the analogue in the criminal system would be parole, but that is essentially what it is. A kid is still under the authority of the court system, but is out of secure detention.

Dr. Weldon. So CSOSA does not have any equivalent to handle that kind of situation.

Mr. Sullivan. Well, I cannot speak for CSOSA, but I know that they have community officers, and they have requirements for the kids and that sort of thing.

What we do is help transition children back into the community, give them a helping hand to make sure that they do meet all of their appointments, that they get back in school if that is appropriate.

We have a special-education division that can, under the IDEA federal law, get resources to get the children the educational resources that they may need.

We also can help them find a job. Essentially our role is to keep them in compliance with whatever is set forth by CSOSA or the court.

And also, I should mention one other thing. CSOSA only deals with adults. Our reentry program right now is focused on juveniles.

DNA COLLECTION INITIATIVE

Dr. Weldon. Okay. The DNA sample-collection initiative? Do you have a request for additional personnel for that?

Mr. Sullivan. Yes.

Dr. Weldon. Just tell me what they do and why the need for additional personnel and why is that in the public defender's services?

Mr. Sullivan. There has been a spike, a rise in the use of DNA evidence in the local courts. And there is a corollary need in the defense bar for expertise with respect to DNA cases.

Before you came in, I actually gave a brief example of our forensic-practice group, which is what we call it. We do DNA and other sorts of forensic issues. But we had a very complex and novel nuclear DNA case before the court, and I read before you came in where a local judge complimented both us and the United States Attorney's Office----

Dr. Weldon. I came in at the tail end of that.

Mr. Sullivan [continuing]. For being able to marshal all of this evidence. Perhaps not to a physician, but to we lawyers, it is fairly complicated material. And we serve two functions.

Dr. Weldon. This is just pertaining to the defense work?

Mr. Sullivan. Yes, absolutely.

Dr. Weldon. Okay, I think I understand. Thank you very much. My time has expired.

Mr. Frelinghuysen. Thank you, Dr. Weldon.

Mr. Doolittle.

COMMUNITY COURT

Mr. Doolittle. Thank you.

Judge King, I read your testimony, talking about in part the community court for traffic offenses and misdemeanors, and it sounds like you experienced some positive results with that and have a considerable drop in the abscondancies, I guess: 50 percent in traffic cases, 45 percent in minor misdemeanors.

Is this resulting, do you think, in fewer underlying crimes of this type, or not? What is the effect on that?

Judge King. It is too early for us to measure numbers in any significant way, although obviously that is where we are headed. We want to be able to show that there has been a difference.

The goal is patterned after the very successful experience in New York, whereby addressing the underlying problems immediately, rather than appointing a lawyer continually for 30 days and then it drags on, and at the end of the process, nothing really gets addressed that is going to change anything.

This is intended to connect people up with community service or if there are mental-health or drug-use services that are needed, to connect them up right away so that it is done

while everybody is fresh from the arrest and the case is still foremost in everyone's minds.

The very realistic goal is not that you will end recidivism, but you can slow it down, you can slow the revolving door down, and that is very much what we hope will be our pattern once we become solidly established and have all the services in place.

Mr. Doolittle. I was not familiar with what New York had done, so that is interesting. Okay, the individual is arrested and then----

Judge King. They are brought before----

Mr. Doolittle [continuing]. How quickly does this kick into action?

Judge King. They are brought before the court in our case, in most cases, the next day, the next morning, and for the traffic court, if it is a matter of a license, it is typically set right away, the case is set, get a license and get back and you are done, with the night in jail having been a little penalty reminder.

If it is connecting with services, it would be to map out a plan right then and there that day, come up with a plan for drug treatment, if that is the issue, or if it is mental-health services, let's set up an appointment and get an examination underway, and get a warrant and deal with it.

It is still evolving in the sense that, as you can imagine the court depends a great deal on available services, the strength of the services, that are available to refer to.

And those are still being worked out. But one of the things we have been very pleased with is the city's effort to find employment training and employment placement for people who are homeless, and that, again, you could connect it right away and get right on it and get them referred.

And if there are continuances it is in the context of taking the time necessary to do the health-related work rather than the time necessary to negotiate a crowded docket.

Mr. Doolittle. And so the people who are the defendants are just appearing on their own behalf? They are not represented, right?

Judge King. They are represented. There is a duty day attorney who represents them in the community court, and then if it is decided that for some reason this is not an appropriate case for community court, then there is an appointment of counsel and the case goes on the regular calendar.

But if it is handled in the community court then it is done in the community court and that duty day attorney handles the representation, provides legal advice.

Mr. Doolittle. And that is akin to a public defender?

Judge King. It is like a public defender, that is correct.

Mr. Doolittle. Okay. I have another question, but are we doing the second round, Mr. Chairman.

Mr. Frelinghuysen. Absolutely.

Mr. Doolittle. Okay. Well, I will save it for then.

COURT RULING OR CHILD WELFARE

Mr. Frelinghuysen. I would like to go back and, if you

could, clarify for me Mr. Fattah's comments relative to the ruling by the D.C. Court of Appeals, which the paper described as effectively stripping the Superior Court judges of their long-standing authority over where delinquents are sent and what services they receive.

For quite a long period of time members of the judiciary made that decision. Now the Appellate Court has ruled that that is the prime decision-making responsibility of the Youth Services Administration. Is that accurate?

Judge King. I think I told you at the beginning I have a great relationship with Chief Judge Wagner.

Mr. Frelinghuysen. I am told that we have over 11,000 special-ed youngsters in the city. I would assume, and I would like to know, maybe Mr. Sullivan knows, how many of those youngsters are within the juvenile system.

Judge King. I can tell you this much. For a judge in a neglect or abuse case, finding the right service for this particular child is always a challenge.

You are always looking for what is the best thing you can do in this situation with this child who is in front of me today.

Mr. Frelinghuysen. But is it fair to say that you would have been working with professional social workers in making those decisions over the last 10 or 12 years?

Judge King. But sometimes there might be something that is right there, it is a program that everybody recognizes and the city puts them right in it.

Sometimes the city does not have the particular program and then you have to work it out. The case under consideration addresses that tension. I do not want to comment on the case, but the issue is, can you find the right particular services?

And it may ultimately be that this would be a subject for some legislation of the city council to address.

INCREASING CASELOAD

Mr. Frelinghuysen. Well, I am not sure who to direct this question to, but it looks like there are reports that there is a growing caseload of offenders 13 years and younger.

That leads me to sort of a three-part question. First, what is the current caseload and how much is it going up? Second, do you know why the caseload in this age group is increasing? And lastly, what impact does it have on your workload? Then I actually have a fourth question, which is, is there only one contract to serve this population? One issue which seems to resonate is that we do not have enough places.

COURT RULING IN CHILD WELFARE

Mr. Satterfield. I would like to answer your question, but I also want to just clarify some things about the PS decision, and I do not quarrel with the Court of Appeals' decision because they are interpreting a statute that has been in place since 1993, and they made it clear for us what that statute meant.

And that was the statute that changed the court's ability, when a child is transferred to a public agency like YSA, to

dictate where the child and how the child should be treated when he is in the care of the public agency.

And that is what it made clear for us, something that was changed in the law in 1993, and that does impact, obviously, the court's control of the treatment for the child, but that was done through a statute that was simply interpreted, something that was not clear to everyone in the superior courts.

Some judges may have interpreted that for us. And that is the impact, so you have to really go back to the statute itself if you want to give judges better control over what happens once the child is committed.

And the reason that we went back is the judges were having these sort of what we call restrictive commitments, because what they were finding out when they did not have them was that we commit the child to YSA. And no appropriate services were provided when we were bringing them back for review.

And so they are simply seeing that now at Oak Hill. And so that is why judges were doing it.

The judges will not do that any longer, obviously, because the statute is made clear by the Court of Appeals. And so it really goes back to----

Mr. Frelinghuysen. So they will have to do better than what they were doing when they were warehoused.

Mr. Satterfield. Well, they know it is in the District's hands to make sure that when we transfer a child to them that they give them the appropriate services.

We can monitor it but we have no judicial enforcement if they are not doing the right services. We are going to continue to recommend what we think is appropriate for the child when we commit a child to get these services.

And usually we commit children that require extensive mental-health treatment, drug treatment and so forth. And so we will continue to----

Mr. Frelinghuysen. These issues are complex and most of us come from a jurisdiction where we know that one individual case can cost a lot of money. But our bottom line here is looking after children.

Mr. Satterfield. Certainly.

Mr. Frelinghuysen. I am respectful and I am not fully knowledgeable of the judicial decision here, but I am of the feeling that we want to make sure that whatever is being set up is benefiting children.

Mr. Satterfield. But it is not the decision, it is the statute.

Mr. Frelinghuysen. Thank you.

Mr. Fattah.

Mr. Fattah. Now the Court, in terms of the statute, as best as I can understand, the Court of last resort has ruled, and this is how these matters are going to be handled. Right? Is that correct?

Judge Wagner. You know, I cannot get into any of the discussion, so I am just a silent person here because I cannot comment on any pending case.

Mr. Fattah. Okay.

Judge Wagner. There are steps beyond this in the Court of Appeals. And whether that is going to occur, I do not know.

Mr. Fattah. Okay. Thank you.

Let me just say, it does not matter to me whether the judge makes the placement or whether the agency makes the placement, because both can and have erred in the past.

That is that you can always have an imprudent placement of a child into a situation that they should not have been put into. The question is: Is there going to be a collaborative effort to try not to have that happen, whoever is making the placement decision?

And you know, to have children placed far outside of the District in some, you know, far-off place looking for a cure that no one has yet discovered to a behavioral problem that is pretty normal, that may not be the wisest course of action either.

So, all of this needs to be processed in the right way. A lot of times when jurisdictions or courts make these decisions, they do not have any of the budgetary responsibilities to pay the bill. And you have to have some correlation between what the resources are that are available to the children, and what the best placement could be made available and some oversight, I think, at the end of the day.

So I am hopeful, Mr. Chairman, that whatever point that this matter is resolved at, that the parties involved will still find some collaborative way to operate in the best interests of the child.

Mr. Satterfield. We have even started meetings now to figure out where to go from here with respect to making sure that we are all on the same page when the child is placed.

And it should be clear, this only applies to juvenile offenders, not any of the children in the abuse and neglect that is in the statute. And we still have our authority to place children.

Mr. Fattah. Well, on the dependent side. This is only the adjudicated delinquent side.

Mr. Satterfield. Delinquent side.

Mr. Fattah. I understand.

Mr. Frelinghuysen. Mr. Culberson, apologies for not having recognized your arrival. You have your five minutes if you would like it.

COURT JURISDICTIONS

Mr. Culberson. Thank you, Mr. Chairman.

If I could ask either Judge King or Judge Wagner to help me understand, as a new member of the committee, the jurisdiction of your courts, their structure, and in particular, the case that you have been discussing involving the Superior Court's loss of authority over the treatment and care of juvenile delinquents?

I know that the District of Columbia, of course, is enforcing laws that are passed by the City Council here. But also, I gather you have jurisdiction and authority also granted to you by Congress. So it seems to me you are operating under both authority given to you by the City Council and Congress. Is that correct? And how do you resolve that overlapping jurisdiction?

Judge Wagner. I can address the jurisdictional matter.

The courts were established by Congress pursuant to its congressional authority. And they structured the Courts to pattern them after a state system in terms of jurisdiction.

So that they will handle local matters which were previously handled by the United States District Court for the District of Columbia because it sat in its jurisdiction. So with court reorganization, those matters were transferred to the local courts.

With the judges being appointed by the president with the advice and consent of the Senate, it sort of creates a hybrid situation. And we do, of course, we do interpret the Constitution of the United States.

As in the Court of Appeals, we entertain and consider constitutional issues and have somewhat of a broader authority than perhaps some of your states do in a way just simply because of our locale and that the fact that the laws are enacted by Congress and by our council, so that our cases may involve laws of both.

Mr. Culberson. What I was particularly interested in, is this also using the case of this----

Judge Wagner. I cannot----

Mr. Culberson [continuing]. Young person.

Judge Wagner. You see, I am in an awkward position.

Mr. Culberson. I am not asking about the specifics of that case, just to use it as an example.

Judge Wagner. Okay. Incidentally, I am not sure if you were in the room when I mentioned it, but we sit in panels of threes. So when a three-judge panel hears a case, that is not necessarily the end of the case.

We have a procedure for a petition for rehearing by the full nine-member court. It is rarely granted, but it is granted for cases of exceptional importance. And so, only after you finish with that process, then a person can petition for cert to the United States Supreme Court.

Mr. Culberson. So your court, you are the Federal Court of Appeals for the District of Columbia?

Judge Wagner. Well, no, we are really like a state system.

Mr. Culberson. Okay, that is what I wanted to make sure and clear in my mind.

Judge Wagner. Yes, we consider ourselves like a state system in the way we are structured. And according to the legislative history, they structured it like that, but they wanted it to parallel and have the independence like the federal courts did, and that is how they happened to structure it in this manner.

And the idea, I think, at the earlier time was there was a case load of local cases over in the United States District Court. They were trying all of our felonies. They were trying all of the cases above \$10,000 in civil, and so they transferred everything over there.

Mr. Culberson. Congress did by statute in the reorganization act.

Judge Wagner. Yes, court reorganization act. This has really worked extremely well.

Mr. Culberson. And then an appeal from the D.C. Court of Appeals in which you said is the chief judge goes to the U.S. Supreme Court, or is that----

Judge Wagner. Exactly.

Mr. Culberson. Okay.

Judge Wagner. It goes to the United States Supreme Court. Before court reorganization you could petition to go to the D.C. Circuit in a decision. That was before court reorganization. But when they reorganized, they made us the court of last resort. That was about 1970.

Mr. Culberson. Well, just to speed over this young man who the Court of Appeals said was not any longer under the jurisdiction of the superior courts because he had been given to the authority of the city.

The decision was based on the city law or the federal law, because it seems to me the law of Congress----

[Laughter.]

Mr. Culberson. It seems to me the law of Congress trumps-- --I know it trumps the constitution of the state of Texas, and Texas law, it certainly trumps whatever ordinance the city passes.

Mr. Satterfield. It is a city law. It was the law passed by the City Council that modified that statute.

Mr. Culberson. The City Council passed a law subsequent to the enactment of the 2001 law?

Mr. Satterfield. No, this was in 1993, that that change was made in the decision.

Mr. Culberson. It just is a surprise to me that the decision of a law officer passed by the City Council could essentially override or----

Judge King. If I can jump in, the various subject matters that we address are all of those matters that a state court would address.

But if you imagine a state-court analogy, it would be a county court, which is bound by state law, some federal laws, and also some county ordinances. And that is what we have. In other words, we have to follow the law.

Mr. Culberson. Sure.

Judge King. It does not matter whether it comes from Congress or if it comes from the City Council. It is law. We have to follow and interpret and apply.

Mr. Culberson. Certainly. The federal law is silent, and the City Council has filled that gap with some specificity.

Judge King. There we are.

Mr. Culberson. I understand.

Judge King. Congress has specifically preempted, obviously, then we would look to Congress.

Mr. Culberson. Yes.

Judge King. But in this instance, it is an area where the Congress passed the--this is back in the organic structure of the District, giving the City Council authority to pass laws in certain areas.

This is one of those laws that is getting interpreted. And so, it is binding on us just as any other law would be.

Mr. Culberson. It is just giving me a good framework for understanding the scope of your jurisdiction and the overlap and the authority of the D.C. City Council as well as that of the Congress.

And I wanted to ask if in conclusion you could comment, each one of you, on the practicality of the mechanism by which you could, for example, merge into the state of Maryland, because I can tell you as a new member of the committee, it seems to me it makes much more sense to have the District of Columbia operate under the jurisdiction of a state and just become a part of a state.

I understand there was an effort to do that in Virginia years ago. I have co-authored legislation with another member of Congress to have D.C. merged into Maryland, because as a 10th Amendment Jeffersonian Republican, it just seems to me everybody ought to be represented, and why not become a part of Maryland.

How would you administer that? And what would you----

[Laughter.]

Why not become a part of Maryland and operate under the same guidelines the rest of the country does?

Mr. Frelinghuysen. If you think you can do better there, Mr. Cramer, I will put you on. [Laughter.]

Mr. Culberson. I am going to leave that one alone, but I would be glad to take that ball and run with it.

Judge Wagner. I think we can take that under advice.

Mr. Frelinghuysen. We do have some time constraints here, because we have four votes. I think we may be concluding after your brief responses to Mr. Culberson, and then we will go to Mr. Cramer.

Mr. Culberson. Very briefly, as a practical matter, what would you do to merge and become part of, for example, Maryland?

Judge King. That is above my pay grade. I will do what they tell me. [Laughter.]

Mr. Culberson. Thank you, Mr. Chairman.

Mr. Frelinghuysen. Thank you, Mr. Culberson.

Mr. Cramer.

FACILITIES PLAN

Mr. Cramer. I would like to move this to a different issue.

I am interested in your master plan for the D.C. Court's facilities. And since time is short here, and unfortunately we have this series of votes, I am looking at your budget that includes the beginning of the renovation of the old courthouse. It has been uninhabitable for a number of years now?

Judge Wagner. I would say so. I cannot remember--the public defender, I think, was--were you one of the last people out of there?

Mr. Sullivan. 1997, yes. [Laughter.]

Mr. Cramer. But this master plan puts you on course to begin----

Judge Wagner. It absolutely puts us on----

Mr. Cramer. Looking after your infrastructure, where you are in----

Judge Wagner. We had to get the building totally vacated. It was being utilized by the corporation council, and by the public-defender service and by the courts until 1997, perhaps 1998, I guess.

Mr. Sullivan. 1998.

Judge Wagner. 1998. And so, once we got everyone out of there, Congress, with their support, we were able to get enough funding to secure the roofing to prevent further deterioration, close it up and really----

INFORMATION TECHNOLOGY

Mr. Cramer. Stop the bleeding. On the information-technology side, you are requesting maybe \$4 million for your infrastructure enhancements. That is building on what you already have. Is that correct?

Judge King. Yes, that is correct. Actually my drive here has been to keep us in step with GAO, which has giving us some guidelines and critiques of the process of doing this renovation, which is a major project.

And much of that funding goes to the discipline processes that they have recommended. So we are very hopeful that we can keep it, because it is giving us a----

Mr. Cramer. That is on the IT side?

Judge King. That is right. Okay.

Mr. Cramer. And does that help with the tracking of the child welfare in criminal justice cases?

Judge King. Yes. The idea is we are going to end up with a system where every case that might affect somebody before the court will be immediately available in one system.

Mr. Cramer. Alright. Thank you. And I would like to come visit you and help you and get more informed that way and not burden the committee with questions like this. Thank you, Mr. Chairman.

Judge King. You are most welcome.

Mr. Frelinghuysen. The squirrel that nearly jumped on our heads is still waiting for you, Mr. Cramer. [Laughter.]

Mr. Frelinghuysen. They just let it out of the box before I got in there. First of all I want to thank each and every one of you for being here this afternoon.

Closing Remarks

You are saved by the bells, a number of bells, which require our participation for votes, but we have covered some territory. I have plenty of questions that relate to the Family Court which remain to be answered, and I have dozens of questions that relate to special education.

These are complex issues.

I want to, on behalf of the Committee, commend each of you for the job you are doing. We have made a substantial investment, and you are key players in making sure that investment reaches fruition.

We appreciate your time and effort, and we are not forgetting your capital needs, your desire for better court records and management information systems, and we will do our level-best to be of further assistance to you.

So again, thank you, all of you, for being here.

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Wednesday, May 14, 2003.

DISTRICT OF COLUMBIA PUBLIC SCHOOLS AND PUBLIC CHARTER SCHOOLS

WITNESSES

PEGGY COOPER CAFRITZ, PRESIDENT, BOARD OF EDUCATION
DR. PAUL VANCE, SUPERINTENDENT, DISTRICT OF COLUMBIA PUBLIC SCHOOLS
THOMAS P. LOUGHLIN, CHAIR, DISTRICT OF COLUMBIA PUBLIC CHARTER SCHOOL
BOARD

Opening Remarks

Mr. Frelinghuysen [presiding]. The meeting will come to order. Ms. Cafritz, please join us.

First of all, I would like to thank Chairman Henry Bonilla of the Agriculture Committee for the use of this hearing room. We have been using it for all of our hearings.

I would like to welcome everybody here this morning. Joining me this morning on my left is the Ranking Member, Chaka Fattah. Thank you for being here, Chaka. And on my right, Congressman Duke Cunningham. Other Members will join us as their schedules allow them to be here.

Today, we have representatives from the District of Columbia Public Schools and Public Charter Schools. I believe that providing our children with a solid education is the most important duty we have as a society. An educated society is one of the keys to a prosperous nation and to a prosperous city.

There have been some important steps taken to improve the education system in this District.

The District has 37 charter schools in operation, the most of any city in the nation, serving over 11,000 students or 15 percent of the District's public-school population. I also understand the transformation-school initiative has produced some positive results, and we look forward to hearing more about the expansion of this initiative. Improving teacher and principal quality and transitioning to a performance-based budget are also steps in the right direction, but there is a long way to go.

I think we all know the District school system faces many challenges: 72 percent of students receive free or reduced-price lunches; 16.5 percent of students are identified as having special needs; a third of public-school students drop out of high school before graduating, which has a lot to do with the city's high adult-illiteracy rate; parent participation in schools is roughly 50 percent; and the average school is 65 years old.

I do not think I am alone when I say the children of the District of Columbia deserve a quality education. Mayor Williams has made education reform a top priority of his. Obviously, Dr. Vance and Ms. Cafritz, it is your job to educate the children of the District and provide a quality education for each and every youngster in the system.

We, as a Committee in this Congress want to assist you and the Mayor in achieving this goal in a cooperative and instructive way.

We look forward to your opening statements and learning more about what you are doing to ensure that each and every child in the District is provided an educational opportunity to allow themselves to develop into productive adults.

The notion that we do not want to leave one child behind is more than a rhetorical flourish, it is something we do not want

to do.

Before I yield to Mr. Fattah, I would just like to make a general comment. You have a prepared statement, Dr. Vance does, Ms. Cafritz; in the future, we need to have those statements on a more timely basis, so both the minority and majority sides have an opportunity to review those statements, and to the extent that we wish, prepare some questions that relate to your remarks.

Let me recognize Mr. Fattah.

Congressman Fattah's Opening Remarks

Mr. Fattah. Thank you, Mr. Chairman.

Let me welcome my guests this morning.

Both the board chair and the school superintendent and I have had opportunities in the past to interact around the progress that is being made, and we look forward to hearing their testimony today.

I know that they worked very hard in a challenging environment to address the needs of students here in the District, and I am hopeful that our hearing today will elicit where it is that we can help the District continue to work to meet its obligations to future generations.

Thank you.

Introduction of Witnesses

Mr. Frelinghuysen. Thank you, Mr. Fattah.

Today, we will hear testimony from Peggy Cooper Cafritz, President of the Board of Education; from Dr. Paul Vance, Superintendent of the District of Columbia Public Schools; and lastly Thomas Loughlin, Chair of the District of Columbia Public Charter School Board.

Your entire statements will be entered into the record, so I ask if you would be good enough to highlight your statement for the Committee.

Ms. Cafritz, welcome. Please proceed.

Ms. Cafritz's Opening Statement

Ms. Cafritz. Thank you very much. I will try to summarize.

Chairman Frelinghuysen and Congressmen Fattah and Cunningham, as the president of the Board of Education, it is my pleasure to appear before you to discuss the fiscal year 2004 operating and capital budgets of the District of Columbia Public Schools.

Ever since my colleagues and I have assumed office and Dr. Vance has become the superintendent, we have been engaged in reforming a broken school system that has never received adequate resources necessary for properly educating our children and sustaining reform.

We found an educational system with deteriorating buildings, underachieving schools and too many students who lack the academic skills to prepare them for their future, and poor and dysfunctional personnel, budgetary control, cost-allocation systems and budget deficits.

We found a system that had been built on a legacy of broken

promises and failed experiments and too few resources to overcome the many years of neglect.

Simply put, Congressmen, we have been trying to keep the trains running while fixing the engine, building the kind of school system that has not existed in DCPS for years.

With the help of really committed teachers, principals and parents, we are beginning to address this legacy of disinvestment.

We are also beginning to experience a modicum of success that will lay the foundation for sustainable reform.

We have embraced reform and all that it encompasses. Parents and communities have demanded that we improve the educational outcomes of the children of the District of Columbia and effectively manage the resources that we have to allocate.

We have promoted transparency by communicating our problems and how we fix them. We have given our students more choices for improving academic performances in two years.

We have done exactly what we have been entrusted to do on every front: student achievement, special education, management and financial accountability.

We have raised standardized-test scores in approximately 60 percent of DC schools, and increased reading performance at nearly every grade level.

We have showed gains in almost all of our original transformation schools, including dramatic gains of 15 to 20 percent in test scores at a number of them, and a significant reduction in the number of students transferred to special education in those schools, while overseeing a successful charter school program that serves 16 charter schools with 2,880 students.

And under our oversight, we have closed four malfunctioning charter schools. Combined with the other charter schools, 54 percent of the charter schools fall into a failing category, and we are working to address that because we have the same responsibilities in that area over charters that we have over regular DC public schools.

So those children, as well as DC children, will have to be placed in schools that are not failing, or the parents will have to be given the choice to do that prior to enrollment next year.

We teach more AP courses and an increased number of students are taking the SAT for each of the last three years.

In special education, we have expanded our capacity to serve emotionally disturbed, autistic and bilingual special-education students closer to their homes.

We are finalizing contracts with non-public providers to serve students that cannot be served within the DCPS schools at a reasonable cost.

Before we got there, there were no contracts whatsoever, giving DCPS no right to monitor these schools that are outside the District of Columbia, and our students were often charged more than they would charge regular students.

We have established task forces with District government officials to better address deficiencies in the program and develop collaborative approaches to solving problems.

Saving \$13.8 million since January of 2002 due to better

fiscal management in the DCS division of special education. We were not, though, upon promises, able to reinvest that to create more spaces. It was cut.

Developed and implemented a seven-point reform plan on improving services and controlling costs over time. We put into place a business plan for a strategic reform with counsel from the McKenzie Company.

This plan serves as our road map for the educational and management improvements that we have made. We have generated a pool of more than 4,500 applicants for school positions, allowing us to replace over 600 uncertified, underqualified teachers, and we have hired 60 principals over the last two years.

As well, we have made a partnership with Elitis New Schools, which is a leading school-leadership development plan which you enter based on some really rigorous competition.

We are also developing a principal-evaluation system which will shortly be amended.

Transform the central offices by abolishing 800 positions, and hiring a new leadership team which represents the top talent in the United States.

And I would also like to mention here, because it does reference a huge cultural change in DC public schools.

Before it was impossible for a white person or a Latino person to survive in the District of Columbia school system in almost all roles.

And that has really changed, and as a result of that we have gotten stronger African-American people, Latino people, Asian people in our forefront of leadership.

And I think that that is very important as we seek to have our children expand their own horizons.

We ended the past fiscal year with a modest surplus.

The school system has moved seamlessly to a performance-based budget, our primary management tool that links the schools systems expenditures to accountability and performance.

We prepared a schedule aid that lists each position within the school system by job title, along with salary and benefit cost of the position.

We know where each DCPS employee works, what he or she does, what his or her salary and fringe benefits are, and what the funding source is.

There are, in fact, no ghost employees, and because we do not get our grants posted and loaded until about five months into the program, new employees are listed on regular-appropriated funds, before that they are loaded.

And we have been working for two and a half years with the CFO's office desperately, you know, trying to devise some other system where, you know, we do not have to go through such Mickey Mouse, and it not only retards the programs but it makes us look administratively retarded when we really are quite efficient, but certainly more efficient.

The fiscal year, we shall implement a new accounting payroll and personnel system, PeopleSoft, which will aid us in better managing and controlling resources.

We believe that the Mayor and the Council's recommended budget is wholly inefficient to build on the foundation of success that we have established.

The Mayor and the council are recommending a 2004-proposed local operating budget request of \$742.6 million, an increase of \$29.1 million above our revised 2003 budget of \$713.5 million. That is after \$30 million was cut from that in September.

The Board proposed to the Mayor a local operating budget in the amount of \$847.8 million. In preparing our budget request, the board instructed Dr. Vance, our able superintendent, to tell us what he realistically needs to adequately and effectively educate DCPS students, and then to move down from that because we knew we could not come up with his whole request, and we met with every provision in the school system, board members did.

And we spent many, many hours tearing through the budget.

We engaged the community in public hearings and consulted with our partners, parents, principals, and went through quite a public process.

We added \$64 million of mandated cost to produce a new baseline budget of \$803.2 million. That included \$44.2 million for union contracts and negotiated pay raises; \$2.0 million for legal settlements and judgments; \$7.8 million for inflationary increases to fix electricity, water, sewer and other required expenses.

In addition to that: \$64.6 million, mandatory cost increase. The Mayor's proposal does not include in the school's budget funds the funds necessary to implement the requirements of the No Child Left Behind Act.

He does set aside a small sum of money to do that, but it is not in the school budget and the sum of money has no relationship to the real cost of No Child Left Behind.

The Board requested \$11.0 million to implement the requirements of No Child Left Behind, making sure that we were absorbing everything that we could from those costs before asking for new money.

No criteria has been established for DCPS's use of the funds that we have set aside. We believe this to be highly inefficient and it will force DCPS to use its limited resources before accessing funds for federally mandated responsibilities, giving us the same problems that we have with our grants.

We hope that Congress will consider placing these funds within the DCPS budget. We then added to the \$803.2 million, \$44.6 million in educational-reform investments, which include \$15.3 million for structural maintenance improvements, for asbestos abatement, for accelerating academic achievement, for investment in our transformation schools.

The Board has provided to the Council legislation that we believe corrects a serious deficiency in the definition of special-education rights used in the per-pupil funding formula which Congress enacted to ensure equitable funding of students.

The current definitions do not reflect the actual cost to providing services to level 3 and level 4 special-education students. We were informed that the Council is willing to approve the change, but because the fiscal impact was \$9.4 million, the Council did not make the change in the definitions in the per-pupil formula, although they did that for charter schools.

Congress can help by changing the definitions and funding

the necessary change to the per-pupil student formula. If a system is not provided, then DCPS will have to absorb those costs through reductions in general-education expenditures which are already underfunded.

The Board requested a six year capital budget of \$2.0 billion to implement our modernization program. You said in your opening comments that our buildings were on the average of 63 years old, and they are not only of that average, but they are 63-year-old buildings that have not been properly upkept.

The buildings were built by the federal government, and then they were managed by the city.

And then, they were given over to us in 1991 in a heinous state of disrepair. The U.S. Army Corps of Engineers did an assessment in 1996, concluding that 90 percent of them needed to be replaced or gutted and rebuilt.

The Board has made some progress in modernizing its facilities, but in many respects, we have just begun. This budget zeros out in 2005, and there is only \$168 million available in the budget that you have.

I have said many, many times that we need to work with you to devise some kind of Marshall Plan on school facilities in this city.

It is something that affects all school entities in the city, not just the DC Public Schools, but it is a horrific problem. The worst suburban school is better, by far, than our worst school.

We still have many, many thousands of children going to school in classrooms with windows that you cannot see out of. With our maintenance request having been cut out, there is little that we will be able to do about that, as well. The lack of resources is our greatest challenge.

Mr. Frelinghuysen. Ms. Cafritz, we each have a copy of your statement. Could you summarize if possible, the lack of resources issue, and maybe make some comments relative to the intrusion on the authority of the Board?

Ms. Cafritz. Okay. I will summarize on that issue by saying, it is almost punitive, the absence of resources for schools in the city, and something has to be done about it.

And I do not believe it will happen without the assistance of you who I am sitting before.

And so that is the end of that issue. I will go to another one and I will try to summarize it.

The Mayor and the Council have requested in the Budget Support Act that the District Home Rule Act should be amended to require the Mayor to submit to the Board of Education the budget mark that he gives us as opposed to what we see the schools needs.

So that would just be that.

And we think that that really is an encroachment on the Board's authority, and in addition, we think that it would not allow us to represent the best interest of the children and families we represent, and we think it uses the Budget Act for a purpose for which it was not meant.

And you know that Senator Voinovich and Senator Thompson wrote about that last year, I think.

There are many other things that reflect, in our opinion, an incursion on the authority of the Board as set forth in all

of the related acts.

There is not a lot that Congress has to do except follow that, you know, and really look at the money issue and the flow of the money issue in terms of federal grants and how, you know, we are always criticized about not spending the money on time, but then you look at how it flows, it is impossible.

Even though we have a letter saying \$20,000 is yours, you can not spend it until five or six months later when it goes through all of these unrelated systems.

And we take it to heart when our leaders and citizens say, ``This is a real conclusion,'' that education is the number one priority in the District of Columbia.

We believe that without financial support we will not be able to build on the investments that this community has made and improve the management and fiscal accountability that this Congress and community have clamored for.

There is a role for Congress. Congress can assist by helping us fund our modernization efforts. Without assistance we will be only able to apply band aids on buildings with an average age of 63 years.

We will not be able to address the legacy of disinvestment.

We are committed to working with you to ensure that DCPS meet the needs of all students.

[The prepared statement of Ms. Cafritz appears on pages 198 through 208.]

Mr. Frelinghuysen. Ms. Cafritz, thank you for summarizing the latter portion of your remarks, and we recognize you put your heart and soul into this statement.

As I read it over last night, I looked at it very closely, and each Member does have a copy of it so they can use it as a basis for any questions or comments they may have.

Before recognizing Dr. Vance, let me welcome Congressman Weldon and Congressman Culberson.

Thank you, gentlemen, for being here. Dr. Vance, please proceed.

Dr. Vance's Opening Statement

Dr. Vance. Thank you, Senator.

Chairman Frelinghuysen, and ranking members Chaka Fattah, and members of the DC Appropriations Subcommittee, I am Paul Vance, superintendent of the District of Columbia public schools.

And, again, I am grateful to have this opportunity to come before you today to present briefly some of the progress our school system has made in our efforts to really move our children in the District of Columbia public schools to academic and personal excellence.

Our mission has not changed, our mission still is the public school to graduate students who aspire to achieve and are prepared to participate fully in a free and democratic society.

This is not a mere slogan. If this does not happen, we have failed our children. What is guaranteed, they shall fail us.

It is our expectation that our students will leave our doors fully equipped to become students in institutions of higher learning, employees, managers, leaders, laborers, public

servants, scientists, engineers and productive citizens.

In order to advance them to these positions, we are determined to impart to them a solid work ethic, the skills, the knowledge, the technological know-how and the self-confidence necessary to continue to go and develop in lifelong pursuits.

The task has been and continues to be a very challenging one in our school system.

As noted by Mr. Cafritz, in 2001 we began to implement Children First, the transformation of our Public Schools Reform Initiative, which was directed by the McKenzie and Company's development of our strategic plan, which has become our business plan, frequently known as our Bible and our road map.

This initiative addresses three major areas: academics, mainly programs and student achievement; management, operations and infrastructure; and a community outreach, effective engagement of parents and community enterprises.

The guiding principles which fast became the engine of this reform effort are simple ones: Establish high expectations and accountability of school system staff and students; a very clear focus on specific reforms for a sustaining time period; and three, concentrate on collaboration with an array of community organizations and agencies.

We are well into the second phase of our transformation effort, and I believe we have made real strides in improving the academic performance and environment of our students.

We have made genuine progress since last I came before you. Ms. Cafritz enumerated them, so I will not continue with the laundry list, but I would like to note that yesterday we did deliver a packet of information to your offices, Mr. Chairperson, which indicates our accomplishments and our goals, listed under each one of the goals developed with us and McKenzie.

And if I were just to select a few which Ms. Cafritz happened not to mention, that we began----

Mr. Frelinghuysen. I am not sure we got that information. Maybe it is on its way.

Dr. Vance. I met with him early this morning and he assured me he had.

Mr. Frelinghuysen. It may be up on Capitol Hill, but the clerk tells me she has not received it yet.

Dr. Vance. We will have packets for you before you leave here, okay?

Mr. Frelinghuysen. Good.

Dr. Vance. Thank you, sir.

What I think are really critical indications and really clear indications of progress is we began this past school year with 85 percent fewer vacancies.

This school system generated a pool of more than 4,500 applicants for instruction positions, namely a little more than 400 vacancies in seven months, with 75 percent of those applicants possessing education degrees of lead-teacher experience.

That runs against what the trend has been in our nation.

We dismissed more than 600 unqualified, uncertified teachers over the past two years. That process is continuing.

We generated a pool of 250-plus applicants for 25 school

administrative positions in fiscal year 2003-2004, and we have hired over the past two and a half years more than 60 new principals. This is the consequence of an internal search and a national search, and those were replacements for principals who have been service, but whose service was evaluated as unsatisfactory or needs improvement.

We have also secured recently a \$9 million teacher-quality grant. We have implemented a principal-training academy, and so it goes.

And I will see that you get that information and I will not continue with that laundry list.

Ms. Cafritz mentioned that we are busily raising standardized-test scores in 60 percent of our schools, increasing reading scores in nine of our 11 grade levels in math scores and six out of 11 grade levels.

We have transformed and entirely reconstituted 15 low-performing schools and are working this year to the transformation to all of our high schools.

This means that from the principal on down, we have replaced staff and identified target goals for improvement on specific time tables, standardized test scores and all transformation schools have increased and we do have the data which we are sharing with you.

We established one of the first parent special-education service centers in the nation to assist parents of special needs children to navigate through the policies and procedures.

We have implemented a facilities' master plan and have the goal of modernizing or building between six and eight new schools per year.

For the first time in history, we have implemented a performance-based budget for fiscal year 2004 that will help us closely measure the effectiveness of budgetary spending and tie that spending to outcome.

These and other achievements suggest system basics and provide system basics and provide the foundation for continued improvement efforts. We are moving forward in changing the culture of learning.

We have, again, for the first time, a new clear standard-based curriculum that spells out exactly what is expected of students in a uniform and consistent way across the entire school system.

We are working hard at implementing the No Child Left Behind federal legislation and have just last week identified state-accountability standards of performance.

These academic and program-reform efforts are simultaneously linked to changing the culture within DCPS. That aspect presents a formidable challenge for everyone.

We face a real-life situation of years of neglect, financial waste and organizational inertia. Again, Ms. Cafritz has commented on that, so I will pass over it.

It took us one full year to begin to uncover and identify the extent of these waste and inertia costs that were so deeply embedded as part of these business as usual.

We have found a number of longstanding structural deficits that have contributed to the years of what may be called financial leakage in our school system.

Chief among the contributors to our financial hemorrhaging

was the lack of position control. Unbelievable as it may be, for years there was no schedule A whereby budgeted positions were identified as were people corresponding to those positions. We began the effort of compiling an accurate schedule A.

We have hired an external auditor to carefully examine payroll data, staffing plans from individual budget units as well as the comprehensive organizational budgets from our budget----

Mr. Frelinghuysen. Dr. Vance, we are going to see if we can do a little more summarization of----

Dr. Vance. Okay. Yes, sir.

Mr. Frelinghuysen. We are certainly in favor of initiative more than inertia as you point out. [Laughter.]

Dr. Vance. Thank you, sir.

In conclusion, sir, it is vitally important that our school system have the opportunity to continue the reform that is underway. The progress that we have made is an indication that our efforts are working, and though much still needs to be done, we are well on our way to the kind of systemic change that our business plan for a strategic reform envisions.

Recently we submitted our school system's documentation of an enrollment of 67,522 students. That is an indication to us that we have stopped the downward spiral of students leaving our school system, and that process is beginning to level off.

If we continue on that path, we anticipate in the future seeing spikes in that enrollment before a movement takes place.

And these data, we very recently submitted to the state education office.

It can be done, Mr. Chairman, and we would like the committee's support of our efforts.

Thank you very much.

[The prepared statement of Dr. Vance appears on pages 209 through 220.]

Mr. Frelinghuysen. Thank you very much, Dr. Vance.

Batting clean up, Mr. Thomas Loughlin. Please proceed. Thank you.

Mr. Loughlin's Opening Statement

Mr. Loughlin. Thank you, Mr. Chairman, and members of the subcommittee. Thank you for inviting the DC Public Charter School Board to testify at these proceedings.

On behalf of the 21 schools that our board has authorized and the nearly 9,000 students that we serve, I am pleased to have the opportunity to come before you today to discuss the budget needed to enable charter schools in the city to grow and to thrive.

Charter schools are independently operated public schools that are open to all District residents regardless of their neighborhood, ability, socioeconomic status, academic achievement or ethnicity.

There is no exclusivity, no admissions tests or other requirements.

At this time, approximately 15 percent of DC's public schools population is being served by charter schools authorized by either our board or the DC Board of Education.

Many of these schools have waiting lists. Washington, DC leads the nation in the percentage of public-school students exercising school choice.

With regard to the DC fiscal year 2004 budget, our major points of focus are the per-pupil funding allotments, facilities allowance, teacher compensation and retirement, and our own board's operating budget.

DC's charter schools rely almost exclusively on the per-pupil funding formula to support all school functions outside of facilities costs. The per-pupil funding law is intended to ensure that there is funding equity among all public schools.

Recently, however, the DC City Council voted to provide an additional \$31 million to DCPS outside of the uniform per-pupil funding formula to satisfy teachers union contractual obligations.

Had this allocation been provided through the per-pupil funding allowance, however, as required by law, charter schools would have been provided with approximately \$5 million of additional funds to equitably raise their teachers' salaries as well.

Charter schools can operate at a disadvantage with recruitment and retention of teachers and other matters when funding decisions are made outside of legally sanctioned processes off-cycle. Our board maintains that all off-cycle school funding adjustments in DC should consider and equitably fund the charter schools.

On facilities, one of the greatest obstacles facing charter schools is the challenge of adequate facilities. The per-pupil facilities allowance in DC is currently funded on the basis of the capital budget for DCPS schools, which by design primarily provides for building upkeep.

This funding mechanism does not take into account charter schools' full real estate burden. Unlike DCPS, whose buildings are provided and maintained by the DC government, charter schools are responsible for all of their facilities requirements and costs in an increasingly competitive real estate market.

While the current facilities allowance proposed by the DC council is an improvement on last year's, many charter schools continue to find themselves having to compromise program activities to fund their occupancy costs.

The recent \$17 million appropriation for charter schools facilities in DC was certainly appreciated, however, that one-time shot in the arm will not eliminate the facilities challenges that schools will face in the years to come.

The ongoing facilities conundrum will have a major impact on how existing charter schools will grow, and whether new ones will ever open their doors.

This board would like to see a facilities allowance that takes into consideration the current challenges and responsibilities the charter schools must take on to make their facilities safe, inviting, and appropriate environments for learning.

Teacher retirement. In accordance with the DC School Reform Act, charter schools are required to continue contributions to the teacher-retirement fund for former DCPS teachers.

However, for the first four years that charter schools were

open, the requirements were unclear to this board or to school administrators. Accordingly, charter schools did not deduct appropriate amounts from teacher pay nor did they contribute to matching contributions in some cases.

Our board is now advocating for a retroactive payment of approximately \$300,000 to the teacher-retirement fund to satisfy this payment shortfall.

With respect to our board, for the past five years our board has been operating at an annual funding level of \$480,000 while the number of schools that we have authorized has increased from 8 to 21.

The current level of funding right now does not cover our board's basic operating expenses, and as a result our board has been required to use a portion of administrative fees collected from our schools to offset operating-budget shortfalls.

With the new requirement of No Child Left Behind, our responsibilities will increase. Our board is pleased that the DC council voted to increase our board's funding level to \$660,000 for fiscal year 2004. This will allow the board to more fully support the development, achievement and accountability of current and new schools.

On accountability, the DC Public Charter School Board is recognized nationally as having established strong application and accountability processes. Accountability plans which are established for five-year periods include numerous academic and non-academic indicators.

Our first fifth-year high-stakes review will be held in the coming fiscal year. Charter schools are required and supported in their efforts to be accountable, responsible stewards of public money.

In respect to charter-school performance to date, I think it is important to recognize that we are inheriting students that are a very challenging population to serve. We are working with these students. We do not measure our results just by absolute scores. Our primary measure is gain scores.

We look at how students are performing and whether they are advancing from year to year. We find this particularly challenging at the high-school level where performance is the most difficult to sustain and to grow.

As I said, the oldest schools authorized by our board are only completing their fifth year and they will be reviewed for charter renewal at the end of this school year.

Our third-and fourth-year schools are showing movement in the right direction and some of the first-and second-year schools have made remarkable progress in a very short time.

As previously noted, elements of per-pupil funding and the facilities allowance are currently derived without consideration of charter schools, special circumstances. Without adequate, equitable funding, parents and potential new students may be turned away and new schools face daunting prospects when opening their doors.

It is our board's hope that those who influence and decide on the funding of education in this city recognize the value of full investment in public charter schools. We appreciate the opportunity to provide this input and invite any questions you might have.

[The prepared statement of Mr. Loughlin appears on pages

221 through 227.]

Mr. Frelinghuysen. Thank you, Mr. Loughlin and all presenters.

We will continue to operate as the committee has in the past, under the five-minute rule for questioning, the timers being our guide, and recognizing members in the order that they arrived at the hearing, alternating between the majority and minority members. I will go first.

SCHOOL CHOICE

The issue of school choice in the District is at the forefront with the recent debate over a pilot-voucher program. There are strong opinions on both sides of the issue, to say the least.

Congressman Davis, Chairman of the Government Reform Committee held a hearing this past Friday, which I closely monitored, where the Mayor said he was working with supporters in the Department of Education on a voucher program.

In a press release from the Committee on Education and the Workforce, Chairman Boehner was quoted as saying he believes legislation to establish a volunteer school-choice initiative for parents in the DC Public School system can be introduced by next month.

I know, because I have been around for a while, that there are a number of strong opinions about school vouchers, and people who voice those opinions have substantive reasons to be for them and against them. I appreciate it and recognize the people who hold these very strong convictions.

As Chairman of the subcommittee that will likely be responsible for funding a voucher program once it is authorized, I intend to follow what the Mayor, the Department of Education and the authorizing committees are doing very closely. I am sure all members of the committee feel the same way.

Let me ask each of you how you would envision a voucher program working in the existing District school system.

Ms. Cafritz, maybe we will go to you first.

Ms. Cafritz. Well, as you probably know I testified for vouchers on the voucher issue, and my reasons for that are as follows.

It became clear to me that behind closed doors there were negotiations going on for vouchers for DC, but none of the educators were at the table, and none of the things that we need were really being talked about, and even parents have brought that up.

And I thought it was really important to open up the process. All right?

Secondly, when you are talking about vouchers in the District of Columbia, which is where I think they have to be only, and I completely disagree with Flake's bill on sending our kids to Maryland and Virginia.

And I think that if there is a voucher bill, they have to be distributed for students to attend schools in our city, because otherwise I think it would denude and be destructive for our neighborhoods and the character of our city's life.

Secondly, I think that we need to understand that a

majority of school children are going to remain in the DC Public School System, and that it is totally dishonest for our local leaders, which is what has happened, to tell us that, we are really going to support public education.

And public leaders since I have been on the Board, certainly, and I think there is some history preceding me, has been almost punitive in dealing with public education.

The people who oppose vouchers even, talk about heralding our transformation school's plan which have worked primarily. But the funding for----

Mr. Frelinghuysen. And we want to hear about, the transformation school's, how successful that is working, in a few minutes.

Ms. Cafritz. But the funding for it has been undercut. The funding for all the new initiatives that we are doing to make public schools better has been undercut. So the possibility of us being able to compete is, you know, it is like our hands are tied and we are blindfolded, and then we are told to compete.

Now, at the same time, if you gave me 1,200 mothers who looked me in the eye and said, ``There is no room in my transformation school. I do not have any more money to transform more schools.'' If she asked me, "Should I go to this Catholic school around the corner that is transforming, too?" What could I say to that mother but yes, because at least that is, you know, 1,200 more kids who will get a decent education.

But at the same time, it is important to understand that the days of nuns on poverty files running around for free is over. Okay?

And also it is important to understand that we are talking about funding parochial education, and that is where vouchers go.

And we need to deal with how we are going to make them stronger to deal with our children, as well. And they should definitely, definitely be limited to kids who qualify for free lunch.

Mr. Frelinghuysen. Thank you.

Dr. Vance, very briefly, and Mr. Loughlin.

Dr. Vance. My answer is very brief. I am an employee of the school board. I work for the school board. Not that long ago the school board took a unanimous position on this publicly, and it was against implementation of vouchers in the District of Columbia.

That is my response to it. Thank you.

Mr. Frelinghuysen. Thank you.

You are all professional educators who have been around. You are all familiar with the issue, but particularly with the charter-school movement and certainly the impetus and need for vouchers.

Mr. Loughlin, any comments?

Mr. Loughlin. Obviously our board is very focused on school choice, but, you know, having said that, our board has not taken a position on vouchers because our board is about charter schools.

And so, we focus exclusively on charter schools.

So my comments would be, I guess, two general comments. One is, to date we have been successful in offering school choice to 15 percent of DC's public-school students through offering

charter-school options.

And we see certain elements of difficulties that schools face right now, that we are very much focused on how to fund these schools to overcome some of these challenges to make those charter schools more successful.

So our primary concern is supporting the charter schools in that regard.

And secondly, on the voucher issue, I think just from our experience and our learnings in the six years that our board has been in existence, we have learned an awful lot about what it takes to open up new schools, what it takes to authorize new learning environments.

And so, I guess on a personal level, it is not a board view, I am concerned about what mechanisms will be in place going forward to the extent that voucher initiatives are undertaken in terms of qualifying high-quality schools and appropriate environments for the children.

Mr. Frelinghuysen. Thank you.

Mr. Fattah, thank you for your patience.

CHARTER SCHOOL ACCOUNTABILITY

Mr. Fattah. Thank you.

Let me ask a question on the charter schools. First of all, just for the record, it is of note that there are two charter-authorizing mechanisms in the District, which has to be duplicative in some form or fashion.

I am a supporter of charter schools, but one of the problems that we see nationwide is that as the results are starting to come in from this experiment, is that a great many charter schools have not been performing as well as, I guess, many of our people had hoped.

When you look at the numbers here in the District, it is apparent that if you compare the charter schools and the test scores in the District schools, the District just seems to be doing better than the charter-school population in the main.

I want to know, as you approach this five-year reauthorization, I know that the District has closed down four charter schools that were not functioning, and I want to know whether your board fully intends to hold other schools accountable that are failing.

Mr. Loughlin. Well, we certainly intend to hold our schools accountable.

I do not know what the result of the fifth year review will be until we conduct the review. I think it is important to recognize that our board has authorized, in our view, schools to open in some of the most under-served parts of the city.

We are dealing with some very challenged populations, and the students are coming in at a certain performance levels. We are trying to increase those performance levels.

Mr. Fattah. That is really not the answer I am looking for.

What the president has said is that there can not be some culture of low expectations in which you automatically assume because some child is coming from a difficult circumstance, they cannot learn.

Since your board has this responsibility and since this Congress has been very supportive of charter schools, when this

whole thing started, I want to know whether or not the ones that are not working are going to be held accountable by your board?

Mr. Loughlin. Yes, they will be held accountable, and at least part of my answer is how do you define what is working and what is not working?

For example, these schools that serve students who have been through the juvenile justice system, those students may be performing at a very low score level, and in those cases, if they are not hitting certain scores by No Child Left Behind----

Mr. Fattah. I do not want to deal with an anecdote. I really would like if you, at some point, would submit to the committee what criteria schools are going to be considered for reauthorization for charters, because if your board cannot handle this in some, you know, objective fashion, then we have to figure out how to do it, because the idea of charters is to create experiments that work so that hopefully public-school systems can learn from them.

Mr. Loughlin. Sure.

Mr. Fattah. Okay, so we do not want to keep a continuation of a failure.

[The information follows:]

[GRAPHIC] [TIFF OMITTED] T7731A.113

[GRAPHIC] [TIFF OMITTED] T7731A.114

[GRAPHIC] [TIFF OMITTED] T7731A.115

[GRAPHIC] [TIFF OMITTED] T7731A.116

RETIREMENT FUND

Mr. Fattah. I want to ask you one other question based on your comments today, which I was not aware of, but you made this note that there was some shortfall in the responsibilities that your schools had to make payments to the retirement funds for teachers.

The language was vague. Were any payments made to the retirement fund?

Mr. Loughlin. Some of the schools managed through that process, and other schools did not understand how to manage it.

Mr. Fattah. So the \$300,000 shortfall represents what, like a 2 percent shortfall, a 10 percent, a 50, a 90 percent shortfall? Can you give me some understanding of something that is of relative import?

Mr. Loughlin. Yes, I do not know the answer right now, but we can provide that.

[The information follows:]

[GRAPHIC] [TIFF OMITTED] T7731A.117

[GRAPHIC] [TIFF OMITTED] T7731A.118

[GRAPHIC] [TIFF OMITTED] T7731A.119

Mr. Fattah. Okay, and the way that you want to resolve this shortfall, is how? Is this \$300,000 going to be made up in your mind?

Mr. Loughlin. We are requesting the additional funds to resolve it. The schools do not run at an operating surplus each year, and so, looking backwards to find that they have an obligation they now understand that they have to fund if they do not have cash in their budgets right now to fund----

Mr. Fattah. Over the six years did your board at any point indicate to schools that they have responsibility----

Mr. Loughlin. We had discussions with the schools, and we had discussions with the school-systems retirement-plan people also, and there was some confusion about exactly how this was to be implemented.

So they want solid answers.

Ms. Cafritz. If I could hone in on that

Mr. Fattah. Certainly.

Ms. Cafritz. Half the charter schools are under our governance and our charter-school Executive Director, Dr. Belton, is behind me.

Our charter schools are paid up to date with that, okay, and we have gone through the charter-school closure process, okay, based on fiscal mismanagement levels and our closure process for academic reasons which you can only do after five years will be plugged into No Child Left Behind.

But another thing that is important for you to know, because again I think it is punitive and this Board receives less money to take care of schools, and we have 10 more schools, we have 10 new applications, we have new schools coming on.

I mean, it is the same story, but it is funded very differently.

And the only difference is rent, because we, the Board of Education, has absorbed the rent for our charter-school offices, but the money has to come from somewhere, and there should be some parity there.

Also, the \$30 million that he mentioned about them putting in enhancements--they should put it in the base budget and it should have been for everyone. Okay?

There is some fear that we are being funded at such a low level that we would not use it to finish funding our teachers' raises, and so they set it aside as enhancements.

But also the maintenance and upkeep dollars that charter schools get should be in the base also and public schools should get it.

Mr. Frelinghuysen. Thank you for that clarification.

Thank you, Mr. Fattah.

Mr. Cunningham has been chafing at the bit.

Mr. Cunningham, the time is yours. Thank you for your patience.

Mr. Cunningham. Define ``chafing.'' [Laughter.]

Thank you.

Congressman Cunningham's Statement

First of all, I would like to introduce Katie Hanvy, my staffer, and she is as good as it gets. My office received your recommendations and the information regarding the things that you have done.

And matter of fact, Katie sat me down and went over the

information point by point. I mean, they do not get any better than Katie, and I am very fortunate to have her on staff.

There is an Irish saying: ``If you talk the talk, you walk the walk.''' Or at least the Irish should have said it first. [Laughter.]

I have remained on this Committee by choice, even though most members try to get off of this committee. It is a difficult committee.

Mr. Frelinghuysen. You say that in a positive sense.

Mr. Cunningham. Yes, I do. During my time in the Navy, I wanted to go to a squadron that had a lot of problems, instead of going to Top Gun, because I believe that you can make the most change in these situations.

This is why I have elected to stay on this Committee.

I would like the City to recognize, though, why DC Public Schools inherited 63-year-old buildings and how we arrived at this point.

I think the DC government, for a number of years was defunct and lacked leadership. I think that Congress let the city run on its own devices without much oversight, and I believe the problems that DC Public Schools have today are inherited.

Now, I want to tell you about a very controversial individual, especially to Democrats, and his name is Newt Gingrich.

But Newt set out in the Republican conference to say: ``We are going to improve the education system in Washington, DC.''

I recognize the improvements DC Public Schools have made. The Board of Education was mostly political appointees, and many of them that were in the finance office never took an accounting course. One of them never finished high school.

So when you have that lack of skill at the administrative level, what can be expected from the school system?

We changed that, you all changed that, and I recognize the leadership that you are showing here, today.

I remember the problems with the roofs on the schools. School had to be canceled because the roofs were unsafe for the kids.

The security systems were also problematic. We gave you new computers and there was a large number of those computers that were ripped off the next week, but DC PS has improved in that area.

The fire chiefs had to manage the school systems because the fire hazards were so bad.

We have come a long way and I recognize that.

I remember that when you offered summer school, we had so many kids that volunteered to attend summer school. This was not because they had to, but because they wanted to.

You show our children the light at the end of the tunnel and they want to reach it. They want a good education desperately, and I recognize that as well.

The cost per student is higher in DC than San Diego. That is an obvious statement for a fiscal conservative to make.

But when you look at why, you see that DC PS is paying off 63-year-old buildings that were not maintained and when you are trying to improve a Public School system, that cost is accounted for in per pupil spending.

I would like to see the amount per student itemized without the overhead, because I think that you will find out that actual education costs are very low in DC. We need to improve that in this committee and support it.

One of the reasons that I am mad (and it is not necessarily you), it is because of Democrats.

Here is why. If you build your schools, without Davis-Bacon you can save 20 to 30 percent on construction cost. But Democrats will not do that because they are tied to the unions.

The trial lawyers are also driving up education costs. You know, you look at the caps that were ripping off the system in IDEA. Alan Bursyn was a Clinton appointee, who is now the superintendent of San Diego City Schools. He recognizes that these cottage organizations are ripping off IDEA and kids with special needs.

I want IDEA money to be spent on the kids. I want a new system and good teachers. We are losing good teachers because of the trial lawyers.

The only difference between a rattlesnake and a lawyer on the highway is that there is a skid mark before the rattlesnake. [Laughter.]

Trial lawyers rip off these systems--even though many members in Congress are lawyers, Republicans and Democrats.

That is my pet peeve. [Laughter.]

Mr. Frelinghuysen. He is just getting started.

Mr. Cunningham. So I challenge you: when you talk about the revenue per students to do so in other way.

My wife is the chief of staff for the assistant secretary of education for management.

Nine months ago they told the civil servants that the Department of Education was getting rid of the consultants because they were paying them about \$10 million per year. The Department said, ``Hey, we are going to do this in house.''

The civil servants were told, ``You need to get in and learn the computer systems.''

Nine months later they went in, because they were told to find how much money was being spent on student loans. But, the civil servants could not find the manuals.

They did not even know the code words to open the computers.

Now, I have met some very hardworking, good civil servants, however you will find in many education system that a high percentage of people that are receiving a paycheck and not working.

Your number one issue ought to be the people that are put in charge of the education system, to manage and teach. If you do not RIF them, at least train them and get them up to speed.

I yield.

Mr. Frelinghuysen. Thank you very much, Mr. Cunningham.

Dr. Weldon.

EDUCATION COSTS

Dr. Weldon. Good morning. Good morning, Mr. Chairman.

I want to thank you for your dedication to trying to do what I think everybody in the room wants to get done, and that is improve education in the District of Columbia.

I know for me personally, I count myself very fortunate to live in America. I think it is the greatest nation in the world, and it is certainly a delight to be able to live in freedom and to have the opportunities I have.

But it certainly grieves me to see and to know that there are many people who do not have the opportunities that I have, and one of the things that I really strive to do is to try to bring opportunities--we are talking about education today, and education is a great example to the less fortunate.

I know when I was first running for Congress in 1994, one of the most moving people that I met was an African-American lady. I had actually known her at the hospital. She was a clerk at the hospital, and she was a single mom, I knew she was a single mom.

She proceeded to tell me her story while I was running for office about how she had a son, her own child, who had had problems in the public system and she had to put him in private school.

And she was essentially living in tremendous poverty in order to be able to pay her son's private-school tuition each month, but she was gladly doing it. She was a Christian lady.

And I was just moved by her testimony.

I do want to get back to what Mr. Cunningham was saying, because the thing I think makes it really hard for us to just put more money into the public system.

You know, we have a lot of pressures on us. You know, people are coming to us with real needs. I mean, we have the war on terror. I am on the Health Committee, and we have all these disease victims who want more funding through NIH, and this is a worthy cause. The list is very long of worthy causes.

But when people see these published figures of, you know, \$11,000 per student in the public school system, it is very difficult for Republican or Democrat to just throw more money at this, and especially when, you know, private schools in the District have an average per-student cost I think of about \$4,500 or in that range.

Ms. Cafritz. No. No, no.

Dr. Weldon. It is higher than that?

Ms. Cafritz. Much higher.

You are referring, sir, to parochial schools.

Dr. Weldon. The parochial schools.

Ms. Cafritz. Ninety five percent of which are Catholic, but they are church-related schools, and their average now, subsidized though, is \$5,100.

Dr. Weldon. Well, the question Mr. Cunningham was asking is a very important one. Do you have that figure? Do you know how much of your costs are related to these facilities? I mean, because that is a very important piece of information. If we had that it makes it easier for us to justify putting more money into the system.

Ms. Cafritz. All right. You are asking if we have the cost per child for facilities?

Dr. Weldon. Yes.

Ms. Cafritz. Okay. A standard cost, you know, sort of the national standard in terms of maintenance is \$250 a child per year.

And that is, you know, flat out, you know, standard. In our

area, it is probably a bit higher, you know, and we can benchmark those costs for you.

Dr. Weldon. Now, about the voucher program----

Ms. Cafritz. But that is maintenance, okay? That is not buildings.

Dr. Weldon. But you cannot give any breakdown right now of your cost per pupil per year of where that money is going and how much is going to facilities, how much of that is going to overhead in terms of the school board and the bureaucracy in compiling with federal regulations----

Ms. Cafritz. We do. Yes, we definitely do have those figures. First of all, to split it between schools and capital. Capital: The proposal is for \$168 million for next year, and that does not get us anywhere near our requirements.

We have our chief operating officer here who can tell you specifically some of the other figures.

Dr. Weldon. I think my time has expired. And by the way, I appreciate all of you. You are very dedicated professionals and you obviously care about the kids, the Chairman cares about the kids, everybody on the Committee cares about the kids.

If you can give us a breakdown of that \$11,000 figure in terms of how much of that is going to the various categories of responsibility you have to fulfill and in particular, how does that compare to other public institutions.

It would be very valuable to me as we look toward viewing your budget for the upcoming year.

I think my time has expired, but I just want to, again, reiterate how much I appreciate the Chairman's dedication to trying to do something here. And I am very pleased that the Mayor and others are coming out in support of doing a voucher pilot in the city.

Mr. Cunningham. When you provide that for the record, could you include that and IDEA costs as well?

Ms. Cafritz. Yes, we will, and rather than read what we have, I will get you an entire package. Okay? Because there are certain things that are not included in here.

[Clerk's note.--The information requested was not provided in time to be included in the record.]

Mr. Frelinghuysen. Thank you, Dr. Weldon.

I would also like to include in the record the statement of Eugene Hickok, who appeared before Congressman Davis' committee last Friday. I found that edifying, some of his remarks. If we could do that?

[The statement of Mr. Hickok appears on pages 228 through 236.]

TRANSFORMATION SCHOOLS INITIATIVE

Mr. Frelinghuysen. I have some questions that relate to transformation of schools.

Dr. Vance, you referenced the Transformation of Schools Initiative, and while I think we know it is in the early stages of implementation, we understand that there are some signs of success. Could you briefly describe this initiative for the subcommittee and tell us what kind of early results you are seeing and what plans you might have for expansion?

Dr. Vance. Initially it was designed to transform 14

historically low-performing schools in the District of Columbia.

In those schools, we replaced a principal and we gave the new principal the authority to hand-pick a new staff to retain those members she or he cared to, and to recruit and enlist others to come there. We put money in there for some minor maintenance and repair, likewise we implemented a reinforced curriculum.

I think the other thing that was very significant, and this was the level of cooperation between ourselves and the city's human resources agencies, that is parks, recreation, social services, mental health because there was collaboration there.

And an example of the level of cooperation was initially in 16 schools that were not only transformation schools, but others. They placed one mental health professional.

Given that level of cooperation with the Department of Mental Health and the Department of Health, what we saw was remarkable.

One, we saw a decrease in the number of emotional outbursts with youngsters, decrease in the number of youngsters at the lower primary levels being referred for special education, fewer youngsters being suspended. What we also saw was more parents becoming involved in the schools.

When we did test our youngsters with STAT-9 Program, we showed dramatic gains in STAT-9 test scores in four of the original T-9 scores.

And I must say dramatic scores, like Kramer Middle School, and Simon Elementary School where the gains was high as 24, 28 percent increase, and that has continued.

One other, I think, remarkable statistic that came out of this was stability of the faculty. What we found out with the schools--we are talking about low-performing schools--each year they would have remarkable high turnover of teachers.

Those schools tended to get then teachers who were not high-performing teachers in other locations and they had somehow been passed around until they reached these schools.

But we have broken that cycle where those teachers are concerned, and what we are beginning to see----

Mr. Frelinghuysen. How did you literally break the cycle? Did you have the authority to do it?

Dr. Vance. Yes, sir. We have had the authority to do it all along. We have conducted, with the help of Council of Basic Education, a principal's institute. Single purpose: teaching principals to become instructional leaders, major emphasis on the evaluation of teachers.

We have a system that I think is a good plan.

If there is a teacher who needs improvements, needs support or assistance, having poor performance, we do have a plan to, one, help that teacher, and if there is not improvement, to get rid of that teacher.

And it is a plan we work cooperatively with our Washington Teachers Union. We have trained our principals, and they have begun to use that to a much greater degree. That, I think, was significant.

The critical thing was removing those teachers from the schools initially, and now the plan is to consider other methods.

Ms. Cafritz and the school board have directed the superintendent to benchmark what other school systems in the country have done with pre- and active-service assessments of our teaching and administrative staff, that is knowledge and ability, skills in the content areas, and likewise with our administrators.

That is something we are currently doing, and shortly, I will be bringing a report of my recommendations.

Mr. Frelinghuysen. So the early results are positive. You have outlined those, and are there plans for expansion?

Dr. Vance. Yes. This year we are really becoming ambitious. We are going to take on all of our high schools, so I am certain you will be hearing about us.

Mr. Frelinghuysen. Ms. Cafritz.

And then, I am going to Mr. Fattah. He has been very patient.

Ms. Cafritz. One of the things that are very important to note is that we really have to work on with your committee.

This budget as presented by the Mayor does not contemplate a significant increase in transformation schools, and we have enough, you know, good practices that we know work that need to be put in other schools. Okay?

The second thing is that when you completely change the staff at a school, you can replace 50 percent of the faculty and know that 50 percent has to be placed somewhere else.

And we have already hired, often, better-prepared, younger teachers, and we have to figure out, you know, how to approach this.

When you created the Control Board and you gave them the tools of, you know, reform in terms of personnel, but we are going to need some help there.

Mr. Frelinghuysen. Well, I am going to turn to Mr. Fattah, but I would like to know where some of these people go if we--
--

Ms. Cafritz. That is right.

Mr. Frelinghuysen. I would like to know literally what happens with some of these individuals.

Mr. Fattah, thank you for your patience.

TEACHER SALARY

Mr. Fattah. Thank you, Mr. Chairman.

What do we pay the average teacher in the District now, Dr. Vance.

Dr. Vance. Yes, sir. The average salary of our teachers, would be our latest calculation of working our budget was \$54,000 to \$56,000.

Mr. Fattah. How does that compare with the neighboring districts?

Dr. Vance. It is lower. When I left Montgomery County our average salary of our teachers was close to \$60,000. I believe it was \$58,500.

Mr. Fattah. It would be safe to say that if you look at the surrounding districts that we would be at the lower end.

Dr. Vance. Yes, sir. We are at the lowest end.

CLASSROOM SIZE

Mr. Fattah. And the classroom size, the average classroom size in the District? How many kids in a classroom?

Is there a differential in the earlier grades versus the higher grades?

Dr. Vance. I think the differential is consistent throughout the school system. In our lower grades with the use of what we call full-time equivalency, we would average 20, 26 youngsters per classroom.

Mr. Fattah. When you were in Montgomery County, what was that comparative number?

Dr. Vance. In early childhood education, it ranged between 16 and 18. In grades one and two, it would be 18 through 20.

TECHNOLOGY

Mr. Fattah. Can you tell me what the availability of technology is, you know, computer area, the student ratio in the District, in the high schools for instance.

Dr. Vance. Well, of course the goal was to have one computer per child, but that is not the case.

We have two problems. One is the wiring of the schools, and that is, as noted, extremely expensive, and so, we would like to go faster, but we are compelled to go much slower.

The other reason is our buildings are so old, as noted, and every time we punch a hole in the wall, we have almost a half-million-dollar project on asbestos abatement.

So it is not nearly anything close to what it should be, sir.

GUIDANCE COUNSELORS

Mr. Fattah. In terms of the high schools, can you give me some understanding of what the availability is on guidance counselors on a per-student basis in the District?

Dr. Vance. Right. We have a very high ratio here in the District, amazingly high, I would say would average, I think it is one to 500 students.

And we really can not afford the luxury of one counselor being set aside just to deal with college and college placements, but we have received excellent support from DC CAP. They have placed one counselor in our high schools to work on that program.

SPECIAL EDUCATION

Mr. Fattah. We heard a little bit about that in our last get-together as a committee, and in terms of the per-pupil expenditures, because it might be helpful to eliminate this issue a little bit.

What portion of this \$11,000 is spent on special ed and other legally binding responsibilities on the District like transportation costs and other things?

Dr. Vance. One third of our entire operational budget goes for special education. That is one third of that budget.

Mr. Fattah. So when people talk about this \$11,000 per-pupil expenditure, that is a false figure.

Dr. Vance. Yes, sir.

Mr. Fattah. Okay. It does not have much to do with the relevance or how much you actually can put behind each kid?

Dr. Vance. No, we intend to show the chairperson and the members of the committee those facts.

Mr. Fattah. Well then, all this talk about vouchers and alternative mechanisms, what we have learned is people have no interest in special-ed kids when it comes to admitting them to private schools or these alternative schools.

At least as has been the case everywhere else, these youngsters would not be desirable, and in the minds of others that we want to give these public dollars to, they would be left in the charge of the DC school district in all likelihood, right?

Dr. Vance. Yes, they would still be our responsibility.

Mr. Fattah. So as we go forward out of Congress, as you have heard from some of my colleagues very anxious about this question about vouchers, I just want to understand that if we take money that otherwise would have been available for education and siphon it off into private entities, it may benefit some number of children, but it will be a detriment to the majority of children, because it will take revenues that would have been available for you to improve upon these situations in which--at least if you just drive around here, you know, to the neighboring districts, you will find that the teachers are being paid more, the classroom size is smaller, the access to everything that these children need to learn is more prevalent in the suburban districts than in the city district.

And by taking money away from the city district, they have been helped less. So I want to just hope that the Committee will keep this in mind.

Thank you.

Mr. Frelinghuysen. Thank you, Mr. Fattah.

Mr. Culberson, you are recognized if you would like to have your five minutes?

EDUCATION SYSTEM

Mr. Cunningham. Thank you, Mr. Chairman.

Mr. Culberson. No questions.

Mr. Frelinghuysen. Mr. Cunningham I know is ready for another round of questions.

The point that I was trying to make is I recognize that the cost per student is greater because of the neglect of facilities over the many, many years. It is like pay me now or pay more later. And we are having to pay more later because of the neglect of our facilities in DC Public Schools. I recognize that, and I think it is important.

That is where I want to focus, on the actual cost per student because I think we need to increase those numbers for the students in DC. I agree with you on that, Mr. Fattah.

I would also say that, as a Republican, I think the federal government mandates too many things. In certain areas I believe that opportunity scholarships or vouchers, whatever you call them, work. It has been proven.

But in other areas, the transportation costs may exceed the

education costs. Another program develops when special education students are not accepted into the school, so I understand these problems.

In many cases you have a mother whose child is locked into a system that is crime ridden and drug infested, and they want their child out of there. I think they ought to have an opportunity to remove their child from a failing school.

I would like to continue by asking some questions.

The studies on IDEA have shown that in many cases, the identification of special education students, is increasing. Autism is even higher than we thought.

But in many cases they found that children that have been identified special education are merely children that in the early years could not read. This discovery has reduced the number of special education students 40 to 50 percent in some cities.

For example, I read in the Baltimore Sun that a large portion of the students graduating from Baltimore high schools could not even read a newspaper.

How can that child function in a world once they finish school. It will be difficult. Is there any emphases on early-age reading to counter this program?

Ms. Cafritz. That is one of the areas in which we have been most successful, and, in fact, every time someone looks at DC, not to say that we have, you know, paradise or anything, but every time people look at DC they say let's put money into early childhood.

Well, we have educated several generations of early childhood, but what we have not done is built a school system from fourth grade on that can sustain the learning that they have achieved in pre-K through three.

And that is what we must do. If you look at our scores, sir, in pre-K through three, if you look at the assessments, we look very pretty.

Mr. Cunningham. I believe the president is sincere in wanting to leave no child behind. I chastise you for some things, I will chastise myself because I did not read what you gave me--on this chart it is District of Columbia Public Schools Preliminary Uniform Pre-Student Funding Formula Proposed Allocation.

And then down here, it reads, the additional cost per child, and main reason for concern is that there are so many more children being identified for IDEA. If your average cost increase is nearly \$11,000--you list \$10,928--I do not know how you will fund the public system if that is the additional cost.

This is an issue I am trying to look at, and a large portion of that appears to be trial-lawyer fees.

Now, I do not want a child to go under-served. I have two beautiful daughters, and when parents have a child with special needs, they do not know where to go. They think they are going to have a homecoming queen, football star, an academic or a Stradivarius, and then when they find out that they have a special-needs child, they don't know where to turn.

These parents need help. And I want to make it clear. I do not want children to go unrepresented, but we have proved in many, many districts that we are losing valuable teachers. Alan Bersin in San Diego city schools supports this. My sister-in-

law directs all special education for San Diego city schools, and she found we are losing good teachers because they are getting beaten up in court.

I want the education cost per student going towards educational programs for the new teachers so that they are trained in special education.

I would even propose that our colleges offer more courses for teachers that are not even involved in special education, because at some point you are going to have to deal with it.

When I went through the education system, I got a Master's Degree in education, and I can not even remember a single course offered in that field. I think that something needs to be done.

CHARTER SCHOOLS

Mr. Frelinghuysen. I just want to ask some questions relative to charter schools. We have not heard too much from you, Mr. Loughlin.

To repeat, we have 37 charter schools currently operating in the District, 16 authorized under the DC Board of Education, 21 under the DC Public Charter School Board.

I assume it is fairly unusual to have two chartering authorities within the same school district?

Mr. Loughlin. I actually believe it is considered leading practice to have more than one authority that can charter schools.

I do not know how many jurisdictions actually do have that, but I understand that people who study these things recommend that there be more than one board so that one board can not co-opt the entire process.

Mr. Frelinghuysen. The record will not show what Mr. Cunningham put in front of Ms. Cafritz. [Laughter.]

Will you take that bevy of photographers with you, too, when you leave? [Laughter.]

Excuse me, Mr. Loughlin.

Mr. Loughlin. Well, and I was saying that I understand that people who are experts and study this matter believe that it is appropriate to have more than one board.

And the reason they recommend that and oftentimes in many jurisdictions there is concern that the existing authorities will not charter any schools. So by setting up another authority, oftentimes the mission is accomplished.

Mr. Frelinghuysen. Do you and Ms. Cafritz use the same set of standards to approve and review charter schools? If not, how do you prevent charter school founders from selectively applying to one authority based potentially on a lower set of standards?

Ms. Cafritz. Well, when we came on the Board I think that there are charter schools that had applied to the school system thinking that their standards would be lower.

Our standards are now higher, and we have seen charters that we have rejected apply to the other chartering authority.

I think that it is possible for both of us to have high standards, and I have thought about whether or not there should be one chartering board or two chartering boards for a long time, you know, and I think it is important to continue to

study that in terms of cost, you know.

I think that it is important, though, if there was one board, I think it would be important for it to be our board, and I will tell you why.

It is completely transparent, all of the meetings are open to the public, there is press there, lots of parents come, et cetera, et cetera, et cetera.

And all of this is supposed to be, you know, the same thing, they have to do the same thing that public schools have to do, and that does not exist with the other group, and that is a problem.

Mr. Frelinghuysen. So relative to the standards, is that of what you speak?

Ms. Cafritz. Yes. Relative to people knowing the standards, knowing that they are being, you know, enforced, parents having a feeling for the charter-school system, et cetera. That is very important.

And as far as the standards of judgment are concerned, we are much more particular. The charter school, this chartering authority, uses a checkoff system against a school's accountability plan when they go in for monitoring.

Mr. Frelinghuysen. Mr. Loughlin, you want to put your oar in the water here?

Let me just say something, from my perspective, coming from a state where I have been involved, as has Mr. Fattah, in government for a long time.

Twenty years ago, what we are talking about here would be heresy. We would never get away with it, and we are highly supportive of the public system. I can tell you, in my state, as committed as a lot of people are to the public system--and that is their primary, passionate commitment--so many parents have been energized by the charter movement. I would like to be educated as to whether there is some standards issue here.

Mr. Loughlin. Well, thanks for giving me the opportunity to respond to that. A few things, I guess.

One is, I am not aware of which schools were rejected by the Board of Ed that have come to our board and that we have chartered. That is just news to me.

The point of transparency, our board operates in public. We have a monthly meeting, and we have a public meeting once a month. We do not have a lot of people who actually show up to our public meetings, but they are announced in advance and from time to time we will get large crowds or small crowds, but they are held in public.

In terms of standards, we believe that we have set very high standards. I believe the Board of Ed has increased its standards over time.

I think some of the schools that the Board of Ed has closed are a result of the previous board, not Ms. Cafritz's board. In the very early days of the charter movement not having very high standards and having opened up some schools that were very challenged, and so those schools have been shut down, which was an appropriate action by the current board.

But, yes, I believe that our board has very high standards and has been recognized nationally for the standards that we have set, and what we do is often used as a template for other boards.

CHARTER SCHOOL BOARD

Mr. Fattah. Mr. Chairman, if you will just yield for just one quick second.

Mr. Frelinghuysen. It is your time as you like.

Mr. Fattah. Thank you.

How many people are on your board?

Mr. Loughlin. We are authorized with seven members. We have vacancies right now.

Mr. Fattah. How many people are presently on the board?

Mr. Loughlin. Six.

Mr. Fattah. And how many of them live in DC?

Mr. Loughlin. Five.

Mr. Fattah. Okay.

And has the board compensated anyone?

Mr. Loughlin. No.

Mr. Fattah. Okay. So it is a purely voluntary----

Mr. Loughlin. Purely voluntary.

Mr. Fattah. If you had a charter school today and you yanked their charter, is there some financial consequence to your board?

Do you have some financial relationship between the charter, the school, and its per-pupil expenditure in which you get some remuneration?

Mr. Loughlin. Yes, I would say about half of our funds come through an appropriation. The other half of our funds----

Mr. Fattah. That is the \$480,000 you told us about?

Mr. Loughlin. Right. It is \$660,000 currently proposed. About half of our funds right now come from administrative fees, which is one-half of 1 percent of our charter schools' per-pupil funding.

So that currently constitutes about half of the monies we get.

Mr. Fattah. Let me just say, in Pennsylvania, you know, probably 70 percent of the charter schools in Pennsylvania are in Philadelphia. We have one chartering authority, and that is the Philadelphia School Board.

And what we have at the state level is an appeals process in case people do not feel as though they were objectively handled. To have two chartering authorities, I do not believe as you state it is some type of normal best practice, because I do think that it creates, you know, a situation where people may shop for venues and that kind of thing.

But we will get into this more at some later point.

I want to thank the Chair for the hearing. I want to just say in conclusion, based on everything I have heard, that there is a lot to be thankful for and hope for, and I heard my colleagues even that this is a great country that we live in, and it is true.

Because, you know, if we were in Iraq today, we are going to build 6,000 new schools, and we are going to provide universal health care, and we are going to provide democracy to the people who live there.

Now, in the District of Columbia, you are not going to have any democracy, you are not going to be electing people to the national legislature who are going to have a vote, so there are

people like me from Philly and my colleagues, the great chairman from New Jersey, intertwined in the local affairs of the District, and we are probably not going to build six schools in DC, at least not at the rate that we are going.

And universal health care, some hope and dream, far off down the road.

So it is a great country, but we should probably do more if we would believe that charity begins at home, and the District of Columbia would be a great place to start, Mr. Chairman.

So I want to thank you for this hearing.

Mr. Frelinghuysen. Rather conclusive remarks. [Laughter.]

I pay tribute to Mr. Fattah's passion and his keen interest, which I share in terms of bettering educational opportunities for young people in the District.

Before we break, there are a lot of questions I would like to ask, and we will for the record.

CHARTER SCHOOL SITE

I was told never to ask a question unless I knew the answer, and I do not have the answer to this. I am not a lawyer, for the record, either, so I can ask this.

I am curious as to why the average size of a charter school authorized by the Board of Education is 180 students and those authorized by the Charter School Board is 428. Is there some reason?

Mr. Loughlin. The difference in the size of the schools, we have one very large charter out there, which is Friendship House, together with Edison Schools, has basically four campuses with--I can not remember how many thousand--in total it is two elementary schools, a middle school and a high school all operating under one charter, which brings our average---

Mr. Frelinghuysen. That is why the figure, the average, is so high?

Mr. Loughlin. That is correct.

Mr. Fattah. Mr. Chairman, if I could jump in.

It is because they have these for-profit operations. Edison particularly, which your state just ran out of Trenton for failing to educate children, are running a number of these schools, and they need, in order to generate their money, they want as many kids as possible.

They require as part of their model a large student population.

CO-LOCATION

Mr. Frelinghuysen. Thank you very much.

We will submit for the record some questions that relate to facilities relative to the charter schools, and I believe, Dr. Vance, you were to provide a report to the Council on March 1st outlining a plan for the co-location of public schools chartered.

Mr. Vance. Yes.

Mr. Frelinghuysen. Where does that stand, that report? Is that on its way?

Ms. Cafritz. The Board had a meeting about this last evening, and I can give you an answer from that perspective.

That is not yet prepared because we do not have funding. We do not have funding to fix the interior of these schools, and in co-locating charter schools, you would have half the kids going to school in a fixed up building and the other half, public school kids, going to school in a messed up building.

We have to come up with some kind of funded co-location plan, which is not contemplated in this budget before the board, you know, sends you anything, I think it would be a great idea to sit down with your staff.

DIRECT-LOAN FUND

Mr. Frelinghuysen. We would like to do that, yes.

And also, Congress provided \$5 million in the fiscal year 2003 bill to establish a new direct-loan fund for charter-school improvement. Where does that stand, just for the record, if you can provide that? I know we were late in moving ahead with our appropriations bill, but I would like to know where we stand on this new program.

ARMY CORPS

I also have some outstanding questions in terms of the role of the Army Corps. I mean, it is pretty low on the radar screen, but they have been doing, I believe and correct me if I am wrong--some good work over the years, and I would like to know to what extent, how that work is progressing, for the record.

LIBRARIES

Additionally, I had a visitor in my office and you have to admire people. You have the library system under the Board of Education, too. Is that right?

Ms. Cafritz. No, I wish it was. It is under the same Committee.

Mr. Frelinghuysen. Yes, the same Committee, but certainly there is a link between schools and obviously the condition of some of the city's libraries.

Ms. Cafritz. I actually have a plan for that and hope that you are interested in hearing about it.

Mr. Frelinghuysen. I would be happy to. Ms. Cafritz and gentlemen, thank you very much. This concludes our hearing, and we will submit some questions for the record.

Thank you.

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[GRAPHIC] [TIFF OMITTED] T7731A.121

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Questions for the Record Submitted by Chairman Frelinghuysen

district of columbia public charter school board
Charter School Facilities

Chairman Frelinghuysen. One of the difficulties in starting and continuing a charter school is finding adequate space to operate in. Over the years there have been concerns raised that the public schools could accommodate more charter school students in the dozens of schools that are not at capacity and more in surplus buildings not being used. What is the situation today? Has it changed or are charter schools still struggling to find facilities?

Response. The PCSB has been included in meetings that address facilities needs and use of space in schools that are considered below capacity. There has been concern on the part of the President of the Board of Education that there would be a decided difference in the physical condition of the space used by charters. However, in many instances charters would have little money to do wholesale renovations. Co-locating requires the cooperation of the resident administrator if the sharing is to be compatible.

[Following is information on the facilities needs of schools chartered by the Public Charter School Board.]

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Joint Campuses

Chairman Frelinghuysen. An article in the Winter 2002 edition of the charter Schools Bulletin noted that two charter schools in Colorado teamed up to create a joint campus. Is this something that is being looked at as an option for charter schools in the District?

Response. Joint campuses have existed since the very first year of operation of schools approved by the PCSB.

A. From 1998-2000 two schools, SEED PCS (chartered by PCSB) and Options PCS (chartered by Bd. of Ed.) were co-located at the Children's Museum. From 2000-2003 Tree of Life PCS (PCSB) and Options have been co-located at the Children's Museum; from 2000-2002 World PCS (Bd. of Ed.) was also located there.

B. From 1998-2000 the Maya Angelou PCS shared space with the Studio PCS-(Bd. of Ed.) at the Garrison School building.

C. Since 2000 the site of the renovated ``Old Manhattan Laundry Building'' located at 14--Florida Avenue is the location of Cesar Chavez PCS (PCSB), Meridian PCS (PCSB) and Booker T. Washington (Bd. of Ed.).

D. During the 2001-2002 school year, New School . . . PCS (PCSB) sub-leased a floor from the Hyde PCS (Bd. of Ed.) at the Langley Jr. High Building.

E. A current and exciting venture is the availability of space at the Armed Services Retirement Home (ASRH). A start-up, DC Preparatory Academy, will locate temporarily in the fall of 2003 at the ASRH site. Tri-Community, which begins its second year in the fall of 2003 will locate there and has plans for renovation of a building for its permanent location. Tree of Life is also considering locating in space at ASRH in 2004. These schools have worked cooperatively with the official of ASRH to obtain the space to fit their needs.

Sometimes schools have chosen sites out of desperation; at other times the choice is made through co-planning. Acquisition of adequate and affordable facilities continues to loom on the horizon of both new and existing charter schools and the Board, in its authorizer role, interacts with government agencies on their behalf.

Direct Loan Fund

Chairman Frelinghuysen. Congress provided \$5,000,000 in fiscal year 2003 bill to establish a new direct loan fund for charter school improvement. The bill wasn't enacted into law until February, so it's too early to know how the fund is working, but what impact do you think this new loan program will have on charter school operations?

Response. Just as it is the national dilemma for charter schools, one of the major challenges facing charter schools in the District of Columbia is their inability to quickly and efficiently secure and renovate public or private facilities. Therefore, the \$5 million direct loan fund will benefit charter schools as they seek new facilities, attempt to purchase facilities that they currently lease, or finance leasehold improvements and renovations.

As charter school representatives have sought public facilities, whether surplus D.C. Public Schools buildings or other public properties, they have been confronted with a slow, bureaucratic process. Consequently, the inability to locate and place charter schools in public buildings has led to the charter schools' search for commercial or private facilities. Given the city's booming real estate market, charter schools are forced to pay expensive rent in order to compete with the private sector. Moreover, commercial leasing agreements often include triple net leases. These leasing arrangements transfer costs that would not typically be borne by charter schools as non-profit entities. In addition, charter schools find that more resources are needed as many facilities must be significantly reconfigured to accommodate classrooms and provide a safe, welcoming environment for students and their families.

Credit Enhancement Revolving Fund

Chairman Frelinghuysen. The Credit Enhancement Revolving Fund was

established to allow charter schools the use of public funds to leverage private investment for facilities and has been in existence for several years now. How is this program working? Is it achieving its intended goals? What changes, if any, to the program would you recommend to make it a better program?

Response. The District of Columbia Public Charter School Credit Enhancement Fund ('`the Fund'') was established to provide credit enhancement to facilitate the purchase, construction and/or renovation of facilities for District of Columbia public charter schools in time for the school year. The regulations became effective on March 23, 2001. While the program is relatively new, it is growing at a tremendous rate, making great strides and improving its quality of services to serve the public charter school clients.

By the end of FY 2002, six schools had received credit enhancement awards totaling \$3.4 million, leveraging approximately \$9 million in bank financing, and ending with a 3:1 leveraging ratio. Most schools awarded were approximately three years old.

In FY 2001, the first implementation year, the Credit Enhancement Fund Committee awarded 2 credit enhancements to two public charter schools in areas that have a large proportion of low-income students. The average facility acquisition was approximately 50,000 sq ft.

In FY 2002, the Credit Enhancement Fund Committee awarded 4 credit enhancements (3 acquisitions and 1 leasehold improvement) to three elementary schools and one high school, in areas that have a large proportion of low-income students. The average facility acquisition was approximately 53,000 square feet.

In FY 2003, the Credit Enhancement Fund Committee met with the staff of the DC Public Charter School Board and presented its programmatic goals for the upcoming year. It was reported that approximately \$8 million was received for FY 2003 for credit enhancements and a new Direct Loan Program was implemented at \$5 million. Because the budget bill was signed by the President very late in the fiscal year (Feb. 20, 2003), the Credit Enhancement Committee reported that it received 5 written requests for credit enhancement awards. The Committee has obligated approximately half of the current allocation. There are also an additional 6-7 charter school requests in the pipeline, and the Committee anticipates that it will close 8 loans before the end of FY 2003, projecting a leveraging ratio of 12:1. The Committee is working to raise additional capital for the fund by applying to the Department of Education for additional credit enhancement dollars. The additional funds will leverage the Fund to 20:1.

The DC Public Charter School Board believes that the Credit Enhancement Fund Committee is achieving its intended goals and realizes the challenges that exist. The Credit Enhancement Fund Committee has restructured its Credit Enhancement program as a revolving loan fund, to be able to make larger enhancements to the more established public charter schools. The Direct Loan program is designed to meet the needs of start-up charter schools (0-3 years) and small schools. The Direct Loan Program needs more capital with greater flexibility in its administration. Currently, the products offered are acquisition, maintenance and renovation of facilities. The start-up charters and small schools have needs that require greater flexibility.

Chairman Frelinghuysen. What changes, if any, to the program would you recommend to make it a better program?

[The information follows:]

The Direct Loan Program should focus on start-up and

smaller schools (including schools that want to remain small), to provide for the acquisition, renovation and/or construction of facilities. It should also be able to provide working capital and guarantee leases for the newer charter schools.

Ensure timely budget cycles. This year, the committee had to wait until the last 6 months of the fiscal year to restructure, establish, implement and award credit enhancements. Although the process was streamlined and executed, the Committee had approximately 30 days to approve most awards to close in June, so that construction could take place over the summer, and schools could open on time in September.

Amend the Direct Loan program to allow a portion of the funds to be used for a matching working capital fund. For every private dollar raised, the Credit Enhancement Committee could provide the schools with a matching amount, in the form of either a low interest loan (1% interest) or a grant.

Student Enrollment

Chairman Frelinghuysen. It seems that every year the projected student enrollment in charter schools is several thousand higher than the actual count. Why is this case?

Response. The significant variance between projected and actual charter school enrollment on an annual basis is attributable to a variety of factors, which are described in detail below.

Schools project at the level of their annual enrollment ceilings: Each charter school under the authority of the D.C. Public Charter School Board is required to submit a maximum enrollment figure or charter ceiling for each year of its existence. Because charter school leaders develop their charters with plans to enroll a target number of students yearly, they project at the level of this annual target (enrollment ceiling), regardless of prior year enrollment (which only applies to schools in their second year or beyond). In the case of a new school, the ceiling is used to project enrollment given that the school has no prior year enrollment to use in its forecast.

Scientific/statistical methods can not easily be applied: Although it appears that this issue can easily be solved using statistical analysis, there are several factors that complicate the task of projecting enrollment, including the following: (1) a school's plan to expand might result in a sudden upward trend or "spike" in its enrollment; (2) a school might be required to decrease its enrollment after projections have been submitted because its move into a larger facility is postponed (due to problems confronted in obtaining and renovating facilities); and (3) a school might move to a different location and lose a significant number of students as a result.

In the absence of a scientific/statistical method, what is currently being done to improve the accuracy of enrollment projections?: The D.C. Public Charter School Board carefully reviews each school's projected enrollment using the following criteria to help determine whether an adjustment should be made: (1) prior year(s) enrollment;; (2) historical comparison of enrollment to charter ceilings; (3) past waiting lists; (4) plans for enrollment increase/school expansion; and (5) demonstration of quality and responsible fiscal management through past financial reporting or responses to board information requests.

Public Libraries

Chairman Frelinghuysen. What relationship do the charter schools under the DC Charter School Board authority have with the District of

Columbia Public Libraries?

Response. The charter schools take advantage of the story times and other programs especially when there is a branch library in walking distance to the school.

Chairman Frelinghuysen. At this time many opportunities available through museums and other institutions are received by individual staff and by the Board.

Response. At this time many opportunities available through museums and other institutions are received by individual staff and by the Board. These opportunities are forwarded to the Schools and they are encouraged to take advantage of them. One frequent example is notifications of teacher workshops at the Phillips and Corcoran Art Galleries. The Board will now seek to have Public Library activities and opportunities mailed to the schools and the Board Office. Schools will also be encouraged to establish a school/library relationship with a branch library convenient to the school location.

Wednesday, June 4, 2003.

DISTRICT OF COLUMBIA

BUDGET FOR FISCAL YEAR 2004

WITNESSES

ANTHONY WILLIAMS, MAYOR, DISTRICT OF COLUMBIA
LINDA CROPP, CHAIRMAN, DISTRICT OF COLUMBIA COUNCIL
DR. NATWAR GANDHI, CHIEF FINANCIAL OFFICER, DISTRICT OF COLUMBIA

Opening Remarks

Mr. Frelinghuysen [presiding]. The Committee will come to order.

First of all, I would like to thank everybody for being here and also thank Chairman Jerry Lewis for allowing us the use of the Defense subcommittee on Appropriations hearing room.

There may be a few members that are still making their way from the Rayburn Building, where we have conducted several of our hearings, but hopefully they will make their way here.

Joining me this morning, of course, is the Ranking Member, Chaka Fattah, to my left. Thank you for being here, Chaka. We are also joined by Congressman Weldon, Congressman Doolittle, Congressman Pastor, Congressman Cunningham passed through here and will be back, and I am most pleased to welcome Eleanor Holmes Norton. Thank you very much, and Congressman Culberson, as well. Thank you very much.

We are meeting here this morning to receive testimony considering the District of Columbia's fiscal year 2004 budget request. We are pleased to have with us Anthony Williams, Mayor of this great capital city of ours, Council Chairman Linda Cropp, and the District's Chief Financial Officer, Dr. Natwar Gandhi.

Since becoming Chairman in January, I have done a lot of listening and learning, and I have done a lot of driving around the city with several people who know it well.

I wanted to get to know this city from all angles, not just from a perspective as a Member of Congress from New Jersey becoming Chairman of this subcommittee, but for other reasons.

The Constitution gives Congress exclusive legislative authority over the affairs of the District of Columbia, and I take this mandate seriously.

I also recognize the city's desire for greater autonomy, and I am very respectful of those goals.

I was encouraged by what I have seen, the revitalization of neighborhoods, and this, indeed, is a city of many, many neighborhoods. The growth of retail stores, new housing, the expansion of parks, just to name a few.

The city has been through some tough economic times, and I think we would all agree it has not seen the last of those times either, but there is much to be proud of today.

The city's finances are much stronger than a decade ago, as I am sure we will hear from you, Mr. Mayor, and Dr. Gandhi. Construction cranes dot the skyline, the real estate market is still booming, tourism is up, and we need tourism. These are all positive signs, and I commend each of you for your dedication and good work.

We have also seen and heard through previous hearings about the positive impact of the Revitalization Act of 1997, and we have heard about the stronger partnership between this Federal government and this city relative to the protection, homeland protection, of this vital capital city.

Let me commend Peter LaPorte, your D.C. emergency management leader and his team for making a very excellent presentation. You have put together a good team, and we commend you.

But the city continues to face some significant program and management problems. A third of public school students drop out of high school before graduating; 30 percent of adults in the city read only at a third-grade level; the District ranks fifth among metropolitan statistical areas, as reported by the CDC, as the highest number of accumulated AIDS cases among residents.

I know you, as elected leaders of this city, are just as worried as I am about these and other statistics. I do not profess to have all the answers, but I know we can work together to make the nation's capital the model city it should be.

We can concentrate our limited resources on areas that make the biggest impact, but we can only do that if we are working as partners through the budget process.

Mr. Mayor, I share your goals, and we have discussed them on a number of occasions, for reforming the city's educational system and cleaning up the Anacostia River.

I believe that providing every child with a solid education is the most basic duty we have as a society and as parents. An educated society is one of the keys to a prosperous nation and a prosperous city, and a cleaner Anacostia and Potomac will lead to further economic revitalization, which is so important. Mr. Chairman, I want to continue the leadership that my predecessor, Joe Knollenberg, set for this Committee. I want to be a partner with the District and work in a cooperative way to achieve mutual goals. By working together, we can make a difference in the lives of the people who live in this city and who work in this city.

I look forward to your opening statements and learning more

about your plans and proposals for the upcoming fiscal year.

With that, I yield to Mr. Fattah for any opening remarks or comments he may wish to make.

Congressman Fattah's Opening Remarks

Mr. Fattah. I would adopt the Chairman's opening statement as my own, and join with him in everything that he has said.

I welcome the officials from the city, the Mayor, President of the Council and Dr. Gandhi.

I would just say that, as we go forward in this hearing, I hope that we will again learn of ways in which this Committee can assist the city as you continue to conduct your business.

And in terms of the fiscal affairs of the District, there is no other city that I am aware of that is in a more sound fiscal position than the District. All of our cities around the country are facing dire times along with many of our state governments because of the economic circumstances, but the fiscal management of the District is something that I think all of you can take great pride in.

And I look forward to your comments today.

Thank you, Mr. Chairman.

Mr. Frelinghuysen. I echo those sentiments.

Thank you, Mr. Fattah.

I recognize, Mr. Cramer. I thank you very much for being here.

Mayor Williams, if you would be happy to give some comments, some opening remarks. A copy of your entire statement and those of your colleagues will be put in the record. So please proceed.

We welcome you here. We thank you for your leadership of the city, and the time is for you now.

Opening Statement of Mayor Williams

Mayor Williams. Well, thank you, Mr. Chairman.

And you are correct, we have submitted a full copy of my statement for the record, and so I will, wherever possible, abbreviate my comments to you and certainly to Ranking Minority Member Fattah.

I thank all of you, members of the Committee, for your leadership and for your partnership with us, and certainly to all of you for this opportunity to testify on the fiscal year 2004 budget and financial plan for our city. In fact, as you have referenced, Mr. Chairman, this subcommittee has been a partner in our city's renaissance over the last few years. As Mayor, I am grateful for the support and encouragement offered by the previous chair and the ranking minority member, and I am particularly pleased to have become acquainted with you since you have become chair. The enthusiasm and energy that you have brought to this assignment, I think, is gratifying to us as citizens and it is certainly gratifying to our city's leadership.

In just a few short months, you have traversed our city and immersed yourself--I do not know any other way to put it--in understanding the special challenges and opportunities we face. And I think the citizens of our capital can rest assured that

the city's relationship with this subcommittee continues to be strong and will serve us well as we strive together to address the pressing needs of our city.

As you know, Mr. Chairman, you have referenced this yourself, the District is no exception to the financial pressures facing cities and states across our country. In fact, the District will experience a decline in revenues of approximately \$370 million in the first half of fiscal year 2003. This decline equates to a 10 percent loss in our local operating budget. Because the economy has not yet recovered, these challenges continued into fiscal year 2004. And we began formulation of our 2004 budget with a projected gap of \$114 million.

In facing these challenges, however, I am proud to say the District has not only continued its record of sound fiscal management, but we have achieved, I think, a level of responsible and conservative budgeting found only among the most financially prudent governments. As a result, the budget that we have transmitted today is balanced in current and future years.

And most notably, the District's leaders balanced the budget entirely through budget reductions. No tax increases were adopted, and not \$1 of the \$250 million in cash reserves was used to address this challenge.

In many instances, we were able to reduce spending by using existing funds more wisely. In many other areas, however, significant sacrifices were required. Most notable among these is the deferral of key infrastructure investments.

And as I have shared with you, Mr. Chairman, and the Ranking Member, if you look at our city's balance sheet, from one perspective, we are strong. When you put in real property and infrastructure as components of our asset base, we do not look as strong because in fact, there is a deferral, a massive deferral, of key infrastructure investment in our city. In fiscal year 2003, the District eliminated funding for \$250 million in approved capital construction, including transportation investments, recreation facilities and important technology investments. An additional \$87 million of funding for such projects was eliminated in 2004.

In making these sacrifices, it is important to note--and I was talking to Congressman Weldon on this matter--the District preserved existing funding for existing schools and libraries, but could allocate no new funding for the next phase of modernization. As a result, current 10-year plans for renovating neglected schools and libraries must be scaled back dramatically, leaving a major challenge in the education goal for our children.

This sacrifice, alongside even greater reductions in roads, bridges and other buildings, I think presents one of the greatest challenges that we face today, and certainly have not addressed into the foreseeable future.

Now, is this challenge purely a result of national economic woes? Well, certainly our national economic woes play a factor in this. But in fact, it is not exclusively a cause. Even during times of economic growth, the District cannot support the kind of investment required to compensate for the many decades of neglect from which our infrastructure has suffered.

This is true not because of any factor under the District's control, but because of the uniquely, I think, unfair constraints placed on our tax base by the federal presence.

Faced with this clash between expenditure needs and revenue capacity, the District has maintained balanced budgets, and we are proud of that. But we have maintained balanced budgets through one, overtaxing our citizens and businesses and deferring critical investments, which I think, in the long term, are going to continue to damage the viability of our city as a place to live and operate a business. And as a result, that financial and operational recovery underway will falter. And I think we will lose significant ground that we have gained.

We remain hopeful that this Congress will work with us to remove the federal barriers that prevent the District from seeking the help and working the partnerships and doing the things it has to do to maintain the ability to invest in critical service improvements and continue to maintain a balanced budget.

As you have referenced, Mr. Chairman, this Congress does have a constitutional mandate. But I am pleased to hear your comment of your respect for our need and our wish for autonomy. We have discussed this in the past. And I hope that as Congress considers emerging budget autonomy legislation, we can look to this Committee, and look to you, Mr. Chairman, for leadership in crafting and effecting a change that will remove the impediments to the District's continued financial and operational recovery.

In addition to these process points, I have just a few initiatives I would like to share with you. One you referenced, Mr. Chairman, the Anacostia River. I am pleased that the Congress allocated \$50 million for the combined sewage overflow project, which was matched with local funds. This was a very welcome down payment on a \$1 billion-plus multi-year project. Updating our antiquated sewer system, which was built originally by the federal government, is an integral part of our Anacostia waterfront initiative.

Therefore, we are seeking an additional \$50 million in fiscal year 2004. The president's budget includes \$15 million for this purpose and another \$10 million for the Anacostia bike trail. I strongly urge the subcommittee to accept the president's proposal and add \$35 million to the sewage project, to match last year's commitment and to continue us on this course.

In fiscal year 2003, Congress provided \$4 million for family literacy program. Since receiving this payment just three months ago, we have an ambitious program underway that will soon have at least 20 literacy leaders dispatched around our city to help community-based providers, government agencies and faith-based community organizations and networks expand our network of adult learners.

We also have a training symposium this summer to begin to train the trainees.

With an additional \$4 million in fiscal year 2004, we can sustain these efforts.

And finally, before I conclude my testimony, there are several specific points that I want to make clear for the

record.

First, I ask that our appropriation be passed again without any undemocratic riders that are sometimes included. These non-budgetary provisions, I think, undermine the will of District citizens and elected representatives. We have done, I think, a good job in acting responsibly and prudently in passing this budget. And we ask for the Congress's support and respect as we move through this process.

Second, because quality education for our children is, as you have mentioned, Mr. Chairman, a critical fundamental priority for our city, I strongly urge the Congress to appropriate additional funding above whatever this subcommittee has allocated for other District projects, to support our regular public schools, our charter schools and indeed, expand opportunities for parents choice for parents through a scholarship program for non-public education settings.

The District's public school system, as you have heard, and I believe you understand, Mr. Chairman, and members of the committee, is making headway--they are--including a very promising transformation initiative for 15 low-performing schools. It also has a liberal out-of-boundary program that affords parents opportunities to consider public schools across the city.

Our robust charter school system is a national model for public school choice, whose expansion is limited largely by a lack of adequate facilities. In addition, dozens of private and parochial schools are assets for our children.

So consequently, I want to reiterate my support for school choice, both within the public school system and between public and private schools. And additional support from the federal government that supports and that emphasizes this three-pronged support can make our efforts fully successful for our children.

In short, Mr. Chairman, I look forward to continuing the partnership that we have enjoyed in the past and I believe that we enjoy under your chairmanship. We have many, many, I think, successes to look backward to, but many challenges ahead to look forward to. And I know with your leadership and with your support and that of Ranking Member Fattah and members of the committee we can overcome these challenges.

[The prepared statement of Mayor Williams appears on pages 288 through 294.]

Mr. Frelinghuysen. Please proceed.

Opening Statement of Chairman Cropp

Ms. Cropp. Good morning, Chairman Frelinghuysen, Ranking Member Fattah and each member of the Appropriations Committee. I am pleased to be here this morning with the Mayor and the Chief Financial Officer on behalf of the citizens of the District of Columbia to discuss our 2004 fiscal year budget.

The fiscal year 2004 budget, another in a series of financially and fiscally sound and responsible budget marks another important stride in our city's history of home rule. This is the second budget that the locally elected leaders have crafted entirely within the home rule process since the financial authority. It fully demonstrates that the council and the Mayor can work together and put together a good spending

plan that continues to make the District a better place to live, to work, to raise a family and to visit, and obviously, to be the capital of the most important city in the world.

It is also a reflection of our resolve to stand as one good government that will remain fiscally prudent, and most importantly, responsible.

This past February, the Mayor and the council received an annual comprehensive financial report which certified that the District's fiscal year 2002 budget that ended on September the 30th, 2002, was our sixth consecutive balanced or surplus budget. Fiscal discipline has always been and will always be a top priority of our legislative agenda. We not only demand it from the legislative branch and the executive branch, we practice it.

The various forms of fiscal discipline, from rainy day savings, financial safeguards, insurance and investment policies, economic triggers to pay-as-you-go funds that we have demanded of and imposed on ourselves in the past several years have yielded significant returns to the District of Columbia.

Case in point, the council insisted that the government limit the growth of spending in 2004 while ensuring that all basic municipal needs were met. Instead of increasing taxes to address declining revenues for fiscal year 2004, the council resolved to limit the rate of spending to under 5 percent. Again, this was done without detriment to the District residents, who receive services and benefits from our important programs.

Working together, the council and the Mayor have been able to live within their budget. This reflects a continuation of the same fiscal discipline strategies that has been applied to the budget deficit that existed in fiscal year 2003.

Working together, we made tough decisions in closing a \$323 million-plus revenue shortfall due to the downturn in the nation's economy within a short period of having approved our budget.

And this was done in October, and we did it in a three-week period. On April 1st, six months into the fiscal year, again, the council and the Mayor took emergency action to close another \$134 million hole in this year's budget.

Our counterparts in Maryland and Virginia, and quite frankly across the country, are facing similar challenges because of the economy, although we think and believe that the District has acted more quickly, effectively and responsibly to take the actions necessary to keep our budget in balance.

Finally, it is important to note that due to the city's fiscal discipline, hard work and positive image fostered by partnerships of the elective leadership and our business community, we have finally been recognized and rewarded on Wall Street, where the District government's bond rating has been upgraded from stable to positive.

And this is during a time when across the country bond ratings from many other places have been given a downturn rating. It is our hope and expectation that the city's bond rating is expected to be further upgraded, again, while other jurisdictions across the country are being downgraded.

I think that is indicative of what is going on in the District of Columbia. And I must say also that action by the

Congress and the president in 1997 helped to give us some of these opportunities in order, by dealing with some of the structural imbalances that we have had over the years.

As the Council continues to close the 2003 legislative session, we are proud to say that, in addition to fiscal discipline that we have imposed on the executive branch and ourselves, we have achieved other important goals set forth in our legislative agenda, and we will include a copy of our legislative agenda for the record.

But we have looked at important measures of revitalizing our neighborhoods, investing in our youth, protecting our vulnerable residents, oversight of executive performance and service delivery.

Separation of powers is a good thing, and we take our job seriously, sometimes to the Mayor's chagrin, but we think working together it has made for a better District of Columbia government.

Promotion of continued economic stability and growth and expansion of home rule and democracy--and in that regard we will be talking to Congress in the future and today to help us in that area.

In December of last year, the council passed the fiscal year 2004 budget submission requirements, resolution of 2002. It established March 17th as the day by which the Mayor shall submit the budget to the council.

We have acted on it within a 50-day period. I am going to skip over some of it, but the whole testimony will be part of the record, but we do want to say that the council has held many budget hearings, and it is an opportunity for the citizens of the District of Columbia to weigh in on what the issues are and give us an opportunity to make changes to the executive's budget targets, and also the legislative budget targets, so that the budget that comes before you is a reflection of the desires and the needs of the citizens of the District of Columbia also.

An integral part of the council's budget process is that hearing process and the input process that we have had. On May 6th, the council approved the \$6.6 billion spending plan that provides adequate funding for basic city services and programs, as keeping with our seven goals in our legislative agenda.

Schools continue to receive full funding. And to protect our vulnerable citizens the council found an additional \$4 million to fund the Interim Disability Assistance Program for our disabled adults.

In the area of public safety, the Mayor and the council worked together with the expansion of our Police Department, and developed a mechanism by which we can assure that dollars will be used to hire additional police officers.

All of this was done without, as we stated before, a general tax increase. In fact, we are continuing with the portions of the tax reductions associated with the Tax Parity Act passed by the council in 1999, which were already in place.

The council action will bring our taxes more in line with our neighbors over a five-year period. We are so close to our surrounding jurisdictions that tax parity is an issue that is important to the economic well-being of the District of Columbia.

Historically, the relationship between the District of Columbia and the federal government has been a unique political and financial arrangement.

Between 1879 and 1920, the federal government would provide assistance by paying half of all of the District's expenditures. Subsequently, given the various federal prohibitions on taxing non-resident incomes, federal properties, federal purchases of goods and services, the District would receive a direct payment.

This payment was stopped in 1997, when the federal government expropriated the costs of the contributions for police, fire and teacher retirement plans, and various court services.

It is worth recalling that when the 1997 Revitalization Act was passed, one recommendation was that since the District no longer receives any federal payments, Congress would not need to review or approve the budget.

At minimum, Congress should no longer approve the local portion of the District's budget. Just like the other 50 states, the District would be solely responsible for approving our own local spending, and we hope that this committee would look at that.

Although the District government may be solely responsible for its local spending, it is not responsible for the structural imbalance that exists between its spending needs and the revenue generation capacity.

The imbalance amounts to at least \$400 million per year, according to the independent Chief Financial Officer of the District of Columbia. The cost of providing public services is much higher in the District than it is in the average state due to a relatively large poverty population, poor health indicators, high crime, high cost of living. But not unlike any other urban city in this whole country that has a population that is older, sicker and poorer.

The biggest difference is the District of Columbia does not have surrounding higher-income jurisdictions to help offset the cost of the inner city. And in fact, more than half of the people within the District of Columbia pay through--people who work for the District of Columbia government alone help to pay for their high urban issues and areas. There is something wrong with workers in the District of Columbia helping to pay for the problems in our surrounding jurisdictions. And we get no return for that, unlike any other place in the country.

In order to solve these problems of structural imbalances, we request that Congress consider one of the following: relax current taxing restrictions on the District or compensate the District for its special status as the capital city.

And finally, as you consider our appropriations request, we ask that you support and pass the budget in time for the start of a new fiscal year and before the adjournment of the 108th Congress. It is important to remember that at the end of the budget process, both the council and the Mayor found themselves in sync and approved a budget that invests in service delivery and programs. Furthermore, we urge you to pass the budget as it is without any riders.

This much anticipated fiscal year 2004 budget is important because it shows once again that the Mayor and the council can

coexist together, and underscores our commitment to make Washington, DC, one of the best-governed cities in the world.

Nonetheless, the council will continue to oversee the executive operations and expenditures. We will work together with the Mayor. We will be responsive to our constituents who call the District of Columbia their home. We will work with the Mayor, with you, the members of Congress and our surrounding governments, to achieve our mutually shared goals and leave a legacy to future generations.

Granted, we do not always agree from time to time, but we will be at the table together to assert ourselves as an institution and to work for the betterment and the future of our citizens.

Thank you very much for this opportunity.

[The prepared statement of Chairman Cropp appears on pages 295 through 300.]

Mr. Frelinghuysen. Thank you very much, Chairman Cropp. And the record will note that when the Chairman spoke of her close working relationship with the Mayor, at the appropriate time, he smiled. [Laughter.]

What we call mutual coexistence.

Ms. Cropp. Actually, it is good. I mean, separation of powers, it is what it is all about, and it makes for better government.

Mr. Frelinghuysen. Absolutely.

Now batting cleanup----

[Laughter.]

Mr. Frelinghuysen [continuing]. Dr. Gandhi. I know you are going to cover the waterfront here, but go right ahead.

Dr. Gandhi. I will be very brief----

Mr. Frelinghuysen. Put in a plug for the increased rating from Standard & Poor's and Moody's, how can you follow up on that? Go right ahead, though, try. [Laughter.]

Opening Statement of Dr. Gandhi

Dr. Gandhi. I will be very brief, sir.

Good morning, Mr. Chairman, Mr. Fattah, members of the Committee, Ms. Norton.

As the chief financial officer, my responsibility is to ensure the overall financial viability of the District of Columbia at all times. In the past year we have enjoyed some notable successes, noted by the Mayor and Mrs. Cropp, including the sixth consecutive balanced budget.

Overall, the city ended fiscal year 2002 with a general fund surplus of about \$27 million and a positive general fund balance of \$865 million.

In fiscal 1996, there was a negative fund balance of \$518 million, so we have witnessed a turnaround of over \$1.3 billion since then. This result in itself is clear evidence the District is fully equipped for the home rule and the budget autonomy.

I believe we are in a good position to continue this progress. We instituted several changes in financial systems that will give us a much better picture of our financial posture as we go through the year.

During fiscal year 2003, we began the implementation of

standardized spending plans and the reporting of actual performance against those plans, using a new online financial management tool for controlling agency budgets.

At the end of fiscal 2001 we had about \$100 million in cash reserves. This amount had grown to about \$250 million at the end of 2002. And we will increase to nearly \$254 million by the end of fiscal year 2003, to remain at 7 percent of total local expenditures.

These reserves were fully funded five years before the legislative deadlines. Along with the fund balance noted earlier, these steps solidified the District's bond ratings, as pointed out by Mrs. Cropp, and led Moody's to upgrade their outlook on the District's \$3 billion in general obligation bonds from stable to positive.

This is particularly significant at a time when rating agencies are downgrading or looking negatively at numerous states and municipalities. We hope our positive outlook will lead to a ratings upgrade later this year, which will contribute to even lower borrowing cost in the future.

A long-term replacement strategy for the District's payroll systems and their integration with other administrative systems has been developed as a part of the Administrative Services Modernization Program. Over the next two years, all of the District's administrative systems--personnel, payroll, procurement, property management and the budget--will be upgraded and integrated with the System of Accounting and Reporting, called SOAR. For the first time, this will give the District a top-quality integrated information system with which to manage the District's complex operations.

Now that we have three years of operating experience with our accounting systems, we are utilizing more of its capabilities and potential. We already have an Integrated Tax System rated as among the best in the country by the Federation of Tax Administrators, and are the first city to offer free online tax filing, and the only city to provide account balances on the Web.

For the fiscal year 2003 outlook, through the leadership and cooperation of our elected officials, the District made the necessary tough decision to assure a balanced budget for fiscal year 2003, as elaborated by the Mayor and the Council Chair. As of early June, remaining spending pressure for fiscal year 2003 are estimated at about \$50 million, primarily driven by high utilization cost for the health care safety net. This amount will be addressed. I am confident that we will end the year with a balanced budget.

I want to thank you, Mr. Chairman, and members of the subcommittee and the staff, and Mrs. Norton for your leadership and support on the District's portion of the fiscal year 2003 supplemental budget.

For 2004, Mr. Chairman, in local funds, which comprise about two-thirds of the total budget, the total is about \$3.4 billion, an increase of \$230 million, or 6.4 percent, over the 2003 levels. The total number of positions funded with local funds is about 26,245; a decrease of 150 positions, or less than 1 percent.

Over the four-year period from 1988 to 2002, the District's local fund expenditure increased by about 6 percent annually; a

total of \$741 million over this period. Of this \$741 million, \$621 million, about 84 percent, came in just two areas: \$316 million in the DC public schools and public charter schools, and \$305 million in the Department of Human Services, Mental Health, Health, and Child and Family Services.

At these six agencies, the expenditures increased at a rate of about 11 percent annually over the past four years. Expenditures in all other District agencies had a combined increased about \$121 million, or about 1.8 percent, annually over the same period.

As you will see, the budget projects positive net operating margin to fiscal year 2007, a positive fund balance and a positive financial picture, and is based on a revenue forecast that used realistic economic and demographic assumptions generally accepted by the forecasting community and the federal government.

However, a close examination of the data suggests the District is operating on a slim financial margin. Fortunately, we expect local revenues to begin to grow in fiscal year 2004, after the decline and stagnation of the past two fiscal years. The growth that can be expected is nothing like 7.4 percent annual change between fiscal year 1999 and 2001.

The District now faces a more slowly rising revenue curve, as financial and real estate markets return to more normal patterns, generating revenues that are expected to grow around 4.5 percent for the year. We believe that it will be challenging for this revenue to sustain a current level of services.

And there is no room, no room whatever for consideration of additional program initiatives, significant infrastructure investment, or tax cuts. For these reasons, the city and its elected leadership will face difficult program and financial decisions in the years to come.

One other reason for this difficulty is the structural imbalance in the District's budget that needs to be addressed. And Mrs. Cropp and the Mayor talked about it, so I will not dwell on it, sir. All I suggest, is that the forthcoming GAO report would help us, Congress and the District, to move beyond the question of whether there is a structural imbalance, to the question of how the federal government and District government can work together to address this problem.

This problem must be addressed with urgency, to assure the long-term financial viability of the nation's capital city.

Mr. Chairman, that concludes my prepared remarks. I request that this testimony be made part of my record here. I will be pleased to answer any questions you may have.

[The prepared statement of Dr. Gandhi appears on pages 301 through 310.]

BUDGET PRIORITIES

Mr. Frelinghuysen. Consider it done, and thank you very much for abbreviating your remarks.

We will continue to operate under the five-minute rule for questioning, the timers being our guide. After Congressman Fattah and yours truly, we will recognize the Members in the order that they arrived at the hearing, alternating between

majority and minority members.

Mayor Williams, your inaugural address highlighted three priorities to guide you over the next four years: to educate our children, expand opportunity for all, and keep our neighborhoods safe. As former Mayor Ed Koch used to say, ``How am I doing?'' How are you doing on all of those three fronts and how does the fiscal year 2004 budget proposal support those priorities?

Mayor Williams. Mr. Chairman, I commend you for referencing those three goals, because I think they really are the organizing themes for my administration, but I think practically for any mayor facing the challenges of a major city in this day and age.

First of all, our budget supports our initiative in education in a couple of ways. One, it supports our initiative in education, and to the extent we can, we could in the 2004 budget, holding the--and there is some disagreement on this--between the elected officials and the schools. But essentially holding the schools to their 2003 baseline as we went into 2004, so that they continue to have the room to make the investments and the transformation initiative: new teachers, new principals, that the superintendent is doing.

Likewise on the capital budget for the schools, while we have made major reductions in capital funding, in order to meet the financial tests we believe we must meet in the credit markets--so in other words we have got to maintain an adequate, prudent per-capita debt level in our city. If we had allowed our capital borrowing to grow the way it was projected, these per-capita limits would have been exceeded and we would not be sitting here before you talking about a positive credit outlook.

So we have made major reductions in capital. We have made major reductions in capital disproportionately at the expense of other programs in order to maintain intact the existing school capital budget. In the area of opportunity for all, major increases in our budget over the last four years in our city have been in education or have been in human services.

Major focus on human services in my mind is giving agencies like child and family services, mental health and other agencies the breathing room they need to continue to move out of receivership into good management to achieve the kind of outcomes that we want to achieve in our city, particularly focusing on our neediest populations.

And in fact, we are moving from a strategy of what we are calling Neighborhood 10, where we are taking 10 strategies for neighborhood improvement, and in successive years, applying them and targeting them to our transitional neighborhoods in our city, now working with the Casey Foundation developing 10 strategies, targeting specific populations in our neediest neighborhoods as a human service component. And we believe that now we are moving our agencies out of receivership and we are getting some running room and ability to operate, we now have the flexibility and, in short, the competence to do that.

Finally, in the area of public safety, a major commitment in this budget was to give our MPD and Chief Ramsey the tools and the resources that he needs to do his job, so that he can be held fully accountable for achieving what we want our police

chief and our law enforcement to achieve.

And to wit, for example, we have made a major commitment. And you, I am sure, have seen some notice of this and some record of this in the deliberations and debate between the Mayor and the Council. But working with the Council, there was a commitment in this budget now to bring our MPD to its full authorized strength of 3,800 officers.

There is a commitment inherent in this budget to give the Police Department the overtime it needs to meet its federal responsibilities, but also, just as important, and probably more importantly, for a Mayor and for elected officials on a local level, meet responsibilities in terms of law enforcement on the neighborhood front.

There is a commitment in this budget, inherent in this budget, the resources that we need to focus on 9/11. To move, for example, 9/11 from limited-duty uniform call-takers to highly trained civilian call-takers who can reduce the response time as a first step to moving toward something called the uniform call-taker, where one call-taker will be able to handle calls for both Police and Fire.

Right now, you have got someone who takes the call at MPD, but then oftentimes it has to be dispatched or transferred over to Fire and EMS. By the time you make that transfer, you are losing limited time.

Last, but not least, this budget allows us to proceed with a redeployment of our officers. We are going from--when Chief Ramsey came to our city, he inherited a deployment plan. This deployment plan called for, basically called for, community policing, recognizing that at one end of the universe you could have ultimate community policing and have an officer on every street, but your response time to calls would be low, because they are walking.

On the other hand, you could have everybody in a car. Your response time might be a little better but you have no community contact. So this deployment plan was an effort to try to balance that.

We had 80-odd patrol service areas. What we find now talking to community, working with citizens, is that we have to reduce that number. And reducing that number will give us better alignment between what patrol service areas are doing and our neighborhood service areas are doing and neighborhood boundaries.

That is very important because the Police Department has already initiated I think it is eight community fight-backs, where the police, in conjunction with neighborhood services go into a neighborhood and, in conjunction with neighborhood stabilization, clean up, and intensive law enforcement attempt to bring back specific areas of specific neighborhoods in our city.

This patrol service area redeployment will also allow us to do something that is also important. One of the big complaints I hear as I go around the city from citizens is that you gave us a good lieutenant, but we lost our good lieutenant over in our patrol service area, we do not have a good lieutenant.

Well, obviously, we have 80 areas, and you collapse your areas from 80 to 40, you are going to be able to better maximize and optimize the good lieutenants that you have. And I

believe that this allows us to do that.

Mr. Frelinghuysen. I will have some more questions including some related to statistics relative to safety issues which are quite high. I did not mention it in my opening remarks, but I do feel Members of Congress have an interest about the safety of all citizens in the city.

Mr. Fattah.

SALES TAX

Mr. Fattah. Thank you, Mr. Chairman. I have really two sets of questions.

First, when we have tourists who come to Philadelphia and come to Independence Hall to visit the gift shop, they pay a sales tax. The local governments in PA benefit therefore from this source of revenue. It is my understanding, and I think it is part of the record of this committee, that here in the District, none of the local sales taxes are applied at federal facilities. Thus, I would like to know from the CFO, what is the cost of this restriction? What is the loss of revenue, to the best of your understanding, when the District is treated differently than our other localities in terms of federal facilities?

Dr. Gandhi. Well, Mr. Fattah, that runs into tens of millions of dollars. And we have a sizable presence here of great museums, great national parks, GPO, and other places. If you were to have, say, commercial taxation of the federal commercial activity, you are talking about roughly \$260 million in property taxes and some additional sales tax revenue. And that, basically, is lost to the city.

And I can provide details as to what those taxes are. But that is a fundamental problem that we face. And I have personally approached the Smithsonian Institution, sat down with Mr. Small, and suggested that maybe there should be some warranty gesture on the part of the Smithsonian to extend sales taxes on sales that are done in the stores over there.

May I also report to you, sir, that I have talked with other existing institutions. I sat down with the World Bank. We took them to the courts, and ultimately we did win at the World Bank, and so at the cafeterias of the World Bank, we are collecting sales taxes.

But in addition to this, if I may just continue for a moment, sir, we have a large presence of the tax-exempt sector in this city, and we are very proud of them. It is good to have all these institutions. But there is a cost here.

Once I sat down with the Chief Financial Officers of the 50 largest tax-exempt organizations in the city, and suggested that as they do in Philadelphia, there should be some kind of P.I.L.O.T. or Payment in Lieu of Taxes. The City of Philadelphia sits down with Temple and Penn and Drexel and works out an annual P.I.L.O.T. We tried our universities, which are great universities, we are very proud of them, but they basically said, well, that would not be in the cards.

Ms. Cropp. Mr. Fattah, the example that you used is one of the structural imbalances that the city faces. And through no cause of our own, it is revenue denied. It is revenue that could help the nation's capital. And it could be paid by people

from all over the world and all over the country to help offset that cost. And it is money that most people are used to paying. It is just an anomaly here in the District, where the revenue has been denied.

GENERAL FUND SURPLUS VS. GENERAL FUND BALANCE

Mr. Fattah. The other question I have for the CFO. You indicate that you ended the year with a general fund surplus of, was it, \$27 million? What did you say?

Dr. Gandhi. Yes, sir.

Mr. Fattah. And a general fund balance of \$800 and something. Can you explain the difference between those numbers?

Dr. Gandhi. Yes, sir. Basically, the surplus in a given year is simply, if you look at a commercial enterprise, profit or loss. So we have received more revenues than we spent by about \$27 million. The fund balance is simply accumulation of all those surpluses over the years.

And just to reiterate a point that I made in the testimony, that in 1996, we had a deficit of roughly half a billion dollars in our fund balance. But since then, given the leadership's hard work and heavy lifting, all those deficits were paid off. And in addition, we generated \$865 million.

INFRASTRUCTURE DEFERRAL

Mr. Fattah. That number will change over time. Do you agree with the Mayor that there has been a deferral of over \$250 million and then an additional \$87 million in capital improvements?

Dr. Gandhi. Yes, sir. An accumulated gap that we have in our infrastructure is close to \$2 billion, accumulated over all these years.

Mr. Fattah. Why did you defer these things? I assume they could potentially cost more once you catch up with them.

Dr. Gandhi. Absolutely right.

TAX ON NON-RESIDENTS

Mr. Fattah. Lastly, I just want to finish, if I could, Mr. Chairman, on one other point.

I am trying to figure out who is paying and who is not. The other group of people who are not paying, that is a definite concern, people who come into this city, earn a living here and go back home to some other place. In Philadelphia, in New York City and a whole host of places, mayors have grappled with this in the past and now and I think uniformly have some type of tax on nonresident people who work in an economic center but do not live there, who nonetheless are utilizing and benefiting from services, both police protection while they are down at their job location, and all the infrastructure necessary for their jobs to exist.

In the District, there exists a group of people, clearly, that the Congress has restricted our ability to apply any type of tax to, unlike any other city in the country. Can you tell what the cost of that is?

Dr. Gandhi. Yes, sir. If you take \$100 earned in the city, roughly \$66 of that \$100 are taxed by Maryland or Virginia, and not in the District. We get to tax only about \$34 of every \$100 that are earned in this city.

And conservatively, if you were to, say, charge 2 percent, a commuter tax, if you want to call it that, on every dollar that is earned in the city, that would be around \$500 million at that rate.

You also want to remember that, sir, that if you have a lawyer who is in New York, say, and works in 10 cities and he travels, he would be able to take a credit for the taxes he would pay in all those states against New York taxes.

Unfortunately, in the District that system does not work. You could have our own lawyer who lives in that city, works in other 10 cities, he would claim all the taxes against the DC taxes. So there is no correlation here in terms of correspondence between taxes among the jurisdiction. So we have a fundamental problem there.

Mr. Fattah. Thank you, Mr. Chairman.

Mr. Frelinghuysen. Thank you, Mr. Fattah.

Mr. Cunningham, who was here bright and early, about 10 minutes before the hearing began.

ANACOSTIA WATERFRONT

Mr. Cunningham. Thank you.

And Mr. Mayor, I apologize. The Speaker asked me to come up to his office and I said, Yes, sir; therefore, I had to miss your testimony.

Quite often we concentrate on the ills rather than what is beneficial. I think many people acknowledge that there are a lot of problems within Washington, DC, but I would also like to acknowledge that you, as a Mayor, and your staff have done some very good things. And I am proud of what you have done and the directions in which you have gone. Personally, however, it has at times been very frustrating.

People often look at all the problems you have. However speaking as somebody who was on the committee in 1994, and knowing where we were when we first started with D.C. schools, the waterfront, law enforcement, and those things, I would like to thank you.

I acknowledge the progress and most of your cities do.

I would like to acknowledge, however, all the positive things that have been done as well.

I think Congress has played a role in a portion of that. Furthermore, like all of us who have sons and daughters, we have always acknowledge their goods, but have also realized that there are always areas in which they could improve.

And I would like to attack these problems. You know from the many years what I have basically focused on, and I have some questions. We also talked to your staff so that you could be prepared for this because I did not want this to come as a surprise.

Regarding the waterfront, we have taken out at least one-half of the creosote pilings that were leaching, and carcinogenic, which leads to cancer, and pollutes the Potomac River. The work that you have done on the Anacostia, in

cleaning that up is much appreciated. We have pumping systems in the marinas now so that sewage does not go into the Potomac from the boats, and we have improved the laws. All of those things are positive.

Further, you have got a plan. As you know, an improved waterfront this is my dream for DC. If it takes me another 20 years, I want to help with this and see it through before I leave.

Mayor Williams. That is great.

Mr. Cunningham. And hopefully it does not take 20 years, because I am taking a pay cut by taking this job. [Laughter.]

But I want to stay and see this through. When I leave, even the Democrats in this city are going to say, ``Well, Duke cared about the city''.

And that is good. I have a question about the Washington Marina. I do not live there anymore, but I have a boat down there. In the NCRC proposed plan I want to ensure that the Capital Yacht Club, which had a 99 year lease, signed in the 1970s, is going to be located in this same building, and also I would like some kind of an estimate.

Is it going to cost these folks an additional fee because of the modernization of the building, and will the club have access to the slips itself?

The second part of the question is, in the Washington Marina it has taken eight years to pull out half of those pilings. Originally, the money that we put in there was supposed to complete the whole job.

Further I think, partly because my frustration was that I do not think it was done right, the project could have been done. However, we have been delayed because of the bid process, all of the bureaucracy, and the city council getting involved. And we could have had that the marina beautiful by now.

Another thing I still want to do is build a bridge for your constituents to get over to Potomac Park, and to have a park on the east side where people can go back and forth without having to risk going across the 14th Street Bridge.

Mayor Williams. Great.

Mr. Cunningham. We will do a study. That money is not in here, but Senator Mary Landrieu, Senator Breaux and I put in the money in the bill to finish that project.

I just want you to ensure me that it is going to be spent to finish that job, and to take out all of the environmental polluted pilings down there. Also, finishing the project creates revenue for you because they lease that property from the city.

Further, I would also like to know if there is going to be another bidding process? Is it going to take another year and a half? When can we start, when are we going to spend the money and when are we going to start tearing out those pilings? Winter is approaching us pretty quickly.

Mayor Williams. Well, first of all, Congressman, I want to thank you for your leadership on the Anacostia River. I think that your long-term service on this committee and your long-term, long-standing interest in the Anacostia River are one of the motivating forces, I think, behind this chair, and certainly Chairman Knollenberg getting behind the river in a bipartisan fashion. I want to congratulate you on that.

I also want to congratulate you on being on Wings Channel as Legends of Airpower; that is tremendous. So I, you know, congratulate you for that; it is really a great combination to our country.

First of all, the Capital Yacht Club is a vital part of the Southwest waterfront, it is part of the Southwest waterfront plan, and if it is not clear in the plan, then I will personally make it clear in the plan.

You know, they have been there a long time, they are a part of what makes the waterfront what it is and we want them to be there. And we certainly do not want them to be penalized for being there for their long-term commitment.

Number two, before the hearing is over, I can get you specific answers as to the pilings and as to the work product. That is the time frame and the work product for the work on the pilings and remediation.

Mr. Cunningham. Are we going to be able to start before the winter sets on?

Mayor Williams. Certainly commit to doing that as quickly as possible and get that to you before we leave here, that information.

EDUCATION PROCESS

Mr. Cunningham. Thank you. I think we have come a long way in the education process, and I do not believe most of the things I read in The Washington Post. However, I am a strong believer in charter schools and my other concern is when you do away with the paperwork, you take away a lot of the bureaucracy on which schools can operate.

I have a real concern and want to know. Please let me or Katie Hanvey with my staff, know what we can help you with, both the public schools and the charter schools.

If you remember, it was, in our budget that Newt Gingrich was going to cut charter schools. We increased the money for Charter Schools, but we reduced the money for public schools. And I said no, you don't reward somebody for going the wrong direction, and we beefed up that money.

Let us know where we can help you with the charter schools, the public school system and the summer school program and we will be your best champion.

Mr. Frelinghuysen. Please do that, and consider it done.

Congressman Pastor's Opening Remarks

Mr. Pastor. Thank you.

Good morning. It is a pleasure to meet you. I have had the pleasure of living in your great city for about 12 years. And I am a Southeast type of guy. I hang around 8th Street and the Market, so I have to tell you that in the 12 years I lived there, I have seen marked improvement. No longer have the infestation of those slow mammals running in the middle of the night. You pretty much have solved that problem I think in almost all the areas.

Mayor Williams. Yes, we have worked very hard on that and we have----

Mr. Pastor. I know you have.

Mayor Williams [continuing]. And found someone funding that--right.

Mr. Pastor. And I get my PSA report from the local people that walk the neighborhood.

And you can see that the number of crimes have decreased. And the work that you are doing on the 8th Street redevelopment, I think, is going to be for the military barracks and where that whole area is making great progress. And I congratulate you on it, because I have seen the work that the council and the Mayor have done, and it has been for the good. And so, I congratulate you on that.

I had an opportunity to come to this committee and I took it, only because I felt that I do not see myself as an--overseer. But I see myself in a partnership, rather than in a dominant role. I guess if I want to be the city councilman, I could go back to Phoenix and run, or I could live here full time, and I could not beat Ms. Ambrose, so I better stay in Phoenix.

And so, that is how I see my position. And hopefully working with the Chairman and the ranking member and members of this committee, we can develop a partnership and work on those issues that we can resolve and make sure that this city, which is the capital city of our nation, can be secure and the people that come from our districts to visit will enjoy the city and leave with great pride that this is their national city. And so, that is my view as I serve on this committee.

EDUCATION

Education is also very important, as Congressman Cunningham mentioned. To me, it is the key for many of our adults and children, to be able to advance in their lives. And so, I will support your initiatives that will further the education of our residents here in DC.

But there is one issue that I know is very controversial, and I will bring it up because I read about the deal, but I do not know what the deal is. So do you think that as you develop your voucher system, that the voucher system will complement the federal dollars that you are receiving, or what may happen, and probably will happen, it will supplement and you may not get the reward that you are seeking?

And I have always felt that the cornerstone of our society has been the public schools. And even though charter schools are very important--I come from a state that started the charter schools--but we found out that without any oversight that can be greatly abused. And especially those charter schools that are independently run by private entrepreneurs, and sometimes the quality of the education and the requirements are not there, requirements that we would want in any school where we send our children.

So do you think in going to the voucher system, that it will be additional money? Or do you think in the long run it is just going to be money that will be taken from the current money that you enjoy through your tuition program, your literacy program, and you will not realize additional monies?

Mayor Williams. Well, Congressman, first of all, thank you for your compliments as it relates to Southeast and the work

of--I was going to say Congresswoman, good Lord, Councilman Ambrose, who I think does an extraordinarily good job over there. She is a tough critic, but she and I, and I know the cost of chair sharing for our Anacostia River, and she has just been a very, very powerful advocate for that waterfront, and a lot of improvements over there, H Street and 8th Street.

One of the two reasons why I support the experiment with the scholarship--or I call it a scholarship program, call it voucher, whatever you want to call it--program is one, because as it has been proposed, the dollars would be additional to the dollars to our public schools. It would be dollars additional to the dollars otherwise received by the District.

And I think that with that in mind, it removes one key argument against the program that you are "taking dollars" from the existing schools. I think that there are a lot of positive arguments even if that were true, but it is not true here and it is one of the reasons why I support it.

The second reason I support it strongly is, you know, I was talking to Congressman Weldon about this, is with this program we have, for the first time in the country, I think an opportunity to systematically, under the offices of the Department of Education, really, over a period of years, compare the outcomes for children similarly situated with similar backgrounds between the public schools, the charter schools and the private parochial schools.

Right now, so much of the arguments that are swirling around this are all anecdotal and circumstantial, and they are not really fact based. This allows us to build that fact database and do some relative comparison.

Ms. Cropp. Mr. Congressman, let me just state that I do not think that many people know what the deal may be, as such. Certainly, there is concern that we do not want dollars to be taken away from the public schools.

And we look, in the District of Columbia, at our charter schools as being part of our public school system. And the District of Columbia probably has the largest charter school system in the country. And that has been the school of choice for the District of Columbia at this point.

And our concern is that while we certainly do have needs, we do not want anything to be taken away from our public education system and we would like for that to be funded at the appropriate level. And we have been working hard together to do that.

Mr. Frelinghuysen. Thank you, Mr. Pastor.

Mr. Doolittle.

LEGISLATIVE CHANGES

Mr. Doolittle. Thank you, Mr. Chairman.

Ladies and gentlemen, thank you for coming today. It seems like the city is in a sort of a renaissance. It is exciting to see the changes that are coming about and the progress that is being made.

All of you have alluded to the structural imbalance. And a couple of you have been specific in talking about proposed legislative changes. But you just say they are underway. I just wondered what exactly do you have in mind?

Ms. Cropp. If I could just say one that could happen with this budget that you all are working on right now at absolutely no cost to the federal government or anyone at all that would be greatly beneficial to the District of Columbia is that we ought to have the ability to carry any excess funds from one fiscal year to the next fiscal year. No business operates in that manner.

And in fact, by not having the ability to carry surplus dollars from one fiscal year to the other fiscal year is a direct hindrance. It promotes bad business. It promotes bad government. There is no rationale that should keep us from carrying dollars over. And in fact, at one point, it even put us in a negative position because we had to carry some dollars on as part of our left in there, and it offset our budget horribly.

So that is one thing that would be at no cost to the federal government. It would be beneficial to the District of Columbia. We implore you in this budget please give us the ability to carry dollars from one fiscal year over into the next fiscal year, immediately.

OVERSIGHT

Mr. Doolittle. I think that is a reasonable request that we should consider. I believe we do that now in certain parts of the federal government. I think the Bonneville Power Administration has a revolving fund. And I believe that Hoover Dam as a separate facility also has revolving fund operation.

One of the things, though, you do lose in that situation is a good deal of the oversight. And maybe the benefits are great enough that perhaps we should be willing to sustain that loss.

Just out of curiosity, how much money are we----

Ms. Cropp. Excuse me, could I say I do not think there would be a loss in the oversight. The dollars would just leave from one fiscal year to the other fiscal year. Now, budget autonomy is the next issue I think the Mayor and I would like to also raise.

But the dollars, all it is doing is saying in the line, and our CFO would know how to do it. But from a layman's perspective, it would just say in the 2003 year budget, we had \$200,000 or \$2 million or \$10 million left over. This is a new line in the 2004 budget. And that oversight would still be there on that whole budget. So there would be absolutely no loss in oversight or anything in that regard for any carryover funds.

We would still have to state how we are going to spend those dollars. The council would want that. The Mayor would want that. And the CFO would probably demand it. So there would still be the oversight of that. That is a win-win for everyone.

You know, when we, sometimes even in departments may say that if you do not spend your money, you lose it. Then you have people spending money quickly so that they do not lose the money. That is just not a good way to do business. And it is not a good way to run a government.

Budget autonomy--and the Mayor may want to elaborate on this--on local funds. Certainly, the article in the Constitution that gives Congress the power over the District of

Columbia is always there. But for us to be able to have budget autonomy over local dollars that we raise does not seem to be too much to ask for and to have.

The fact that last year our budget was not passed until January is just absolutely unbelievable. We had to--in fact in some areas when we have to spend at certain levels, because of the economy, we needed to reduce the budget. But because the budget had not been approved, we were still sort of forced at the earlier previous year budget levels, which meant you were forcing us to overspend our budget.

Mr. Doolittle. Well, I do not have an easy answer to that. But you know, you were not treated any differently than the rest of the federal government. Everything was tied up for months over that.

Ms. Cropp. But we are the District. And we understand we are under--we are the District. And what we are talking about are local funds. Not dollars that the federal government is appropriating to an agency, but these are dollars that the taxpayers of the District of Columbia raise. The federal dollars would still be under that.

SURPLUS FUNDS

Mr. Doolittle. About how much money, roughly, do you find is involved where it--you have it, you would like to carry it over, but it goes away because, you know, you have reached the end of the year?

Mr. Gandhi. Well, that depends upon the surplus that we have.

Mr. Doolittle. Right.

Mr. Gandhi. For example, in 1998 our surplus was \$445 million. In year that just passed, it was only about \$27 million. But my sense here is that you are talking about anywhere between, you know, \$10, \$20 to \$100 million.

But the fundamental issue here, as Mrs. Cropp pointed out, is that, it really forces the manager to a use-or-lose attitude, which is really---

Mr. Doolittle. Right. Which is a bad thing.

Mr. Gandhi. Right.

Mr. Doolittle. But do you find--I know my time is up--do you find in your experience with your budget, do you end up--do the committees end up sort of recognizing what you lost because it went away with the budget authority and do they add that back in, typically, for the next year?

Mr. Gandhi. Well, I must say, the Chairman and the Ranking Member have been very considerate about that issue, and in our 2004 budget we have asked to use part of our fund balance, no question about that.

I do not mean, when I say lose, that we lose it forever.

Mr. Doolittle. No, no---

Mr. Gandhi. The question here is it goes to the general fund, we are basically, unlike any other government, we cannot touch it without an appropriate congressional approval.

Mr. Doolittle. Thank you.

Mr. Frelinghuysen. The process definitely needs to be improved.

Dr. Weldon, then Mr. Cramer.

All right, I sort of said----

Congressman Weldon's Opening Remarks

Dr. Weldon. Yes, actually I do have to go, so I appreciate the gentleman's graciousness. I owe you one.

Let me just start out by commending the Chairman for his genuine heartfelt dedication to the city. Certainly, I want to commend all of our witnesses. From, you know, what you are telling us, you have really done a great job over the last six years, and I think the people of the District can be very proud.

And this news about the bond rating improvement is really big, because if your interest payments go down--I notice you have got a sizable amount of your budget you have to apply to paying off your debt, and reducing your interest payments can have a significant impact on all that.

And, Mr. Mayor, I really want to commend you for standing up for the scholarship program. The very first bill I introduced as a freshman, back in 1995, was a scholarship program, a pilot study. I wanted to do it in four different locations.

And it amazes me that we have not been able to accumulate good data on this. Both the advocates for school choice and the opponents of school choice engage in very, very heated rhetoric on each side, but we really do not have good data.

And I think we here in the District of Columbia could really study this issue very nicely. We have the Department of Education right here. And we could get some really good answers in terms of cost and quality out of this.

And I want you to know that I am ready to work with you on this issue to see to it that we enact funding for a pilot program in the District of Columbia, so that we can really test this issue. And I just want to make sure that as we go through this process we get critical input not only from educators, but from parents as well, and families, because that aspect of this, I think, frequently gets overlooked. And so please let me know if there is anything I can do to help you with this, and certainly help the Council with it and the school board.

MALPRACTICE PREMIUMS

I had a question for you, Ms. Cropp, you said you do not like riders, and I certainly understand that. I have been very concerned about malpractice premiums in the District. I had an ear, nose and throat specialist--I am a physician, I do not know if you are aware of that. But he is a friend of mine. He used to live in my district in Florida and used to practice down there and he relocated up here and he is at Georgetown, but he was lamenting the fact that, he is an ear, nose and throat specialist and his medical malpractice premium is double in the District of Columbia what it is in Virginia and Maryland, that he can just go across the Potomac or just across into the Maryland side and open an office and pay half, literally half of what he is paying in the District.

Maryland and Virginia have some caps on medical malpractice. Has the council looked at this issue at all?

One of the reasons I have some concern about this, of course, is just access. If this kind of problem were to continue to snowball, I think it could have some detrimental effects on the ability of the people of the city to access quality medical care.

Has your Council looked into this at all?

Ms. Cropp. Not a recent Council. The Council has looked at it in the past. And in fact I just--I personally met with the CEOs of most of the hospitals and the hospital association recently on that issue and I have been talking to other individuals with regard to that issue, trying to get a handle on exactly what the costs are. And I looked at Maryland and Virginia in particular, because they are our surrounding jurisdictions.

One of the things that I found out--my research has not concluded yet--but one of the things that I found out when I looked, that it seemed as if the malpractice insurance, which you are absolutely right, when I talked to physicians they have said it has just gone off the chart--it seems to be impacting all of the physicians for what is probably about 1 to 4 percent of the physicians who are part of the malpractice. I am wondering----

Dr. Weldon. You mean the bad actors----

Ms. Cropp. That is right.

Dr. Weldon [continuing]. Drive up the premiums for everybody.

Ms. Cropp. That is right.

Well, that is what I am finding so far. And it really does seem to be--and I am trying to get all the data--but it seems to be about 1 to 4 percent.

Additionally, it also seems to be some issues with regard to insurance. I have looked at areas where they do have caps, and the malpractice insurance is different from the District of Columbia. Even with the caps, insurance rates still seem to go up.

So I am just wondering--and, as I look at it, and I am going to ask the council to look at it--if there is another approach that--many of us have been looking at the issue possibly incorrectly.

Obviously, there is a problem. And it is a problem that needs to be addressed, as I talk to my physicians in the District of Columbia. We have had lengthy meetings. It is a problem that needs to be addressed.

I am not certain if the approach that we have been taking and been looking at is the appropriate approach, but we did talk about it at our Council meeting.

Dr. Weldon. I am going to run out of time here, and I did have one other issue I wanted to get at.

I think it is important for an access issue. The GAO has actually looked at this to some degree. And the median malpractice claim in Richmond, Virginia--or payment, the median malpractice payment on a claim is \$112,000 in Richmond, \$150,000 in Baltimore, and \$200,000 in the District of Columbia. So I do not know what you can do to try to address this.

I just have one other question for Dr. Gandhi. The committee staff have provided us the total estimate resources available to the District of Columbia for fiscal 2003, and I want to make sure that I understand this correctly. And it includes the Department of Education, which may be out of your purview.

But as I read the dollars, the city has raised \$4.1 billion from revenue, property taxes and other taxes. The federal government has contributed \$2.1 billion. Private and other sources is about \$1.1 billion. For a total of about \$7.5 billion.

So the federal government is contributing, I guess, about 30 percent of the total of what is being spent by the city.

Dr. Gandhi. In those absolute numbers----

Dr. Weldon. Now, a lot of that is grants, I know. For example, the Health and Human Services gets about \$1 billion, a little shy of \$1 billion in federal money. And so, this is not all just transfer. I know there is a lot of grants and help in combating AIDS and other things.

Dr. Gandhi. And we appreciate the federal contribution, but I think what needs to be delineated here, sir, is the contribution made by the federal government that is unique for the District. As you yourself pointed out, that something goes beyond formula grants, that are available to anyone.

Dr. Weldon. Right.

Dr. Gandhi. So that needs to be emphasized, that if you look at the actual dollars unique to the District in 1999, we received a sizable sum of money, because the federal government wanted to help us take care of the Y2K problem. But in 2000, there was only about \$24 million. In 2001, about \$30 million. In 2002, only about \$38 million. And 2003, \$114 million.

So I think things that are unique to the District in terms of taking care of District's problem, those are rather small.

Dr. Weldon. Well, I want to thank you. I think my time has long expired.

I want to again thank the Chairman for his work, and the Mayor, and all of you for your testimony.

Mr. Frelinghuysen. Thank you, Dr. Weldon.

Mr. Cramer, my apologies again.

Congressman Cramer's Opening Remarks

Mr. Cramer. No problem, Mr. Chairman.

Welcome to the subcommittee here. I too in my now 13 years of living in this area have lived in the District of Columbia, and I am proud to say that I bought a piece of property here and I am at least paying some property taxes to subsidize my existence here.

Ms. Cropp. We thank you very much.

Mr. Cramer. I have noticed--and I am going to narrow this down to the child welfare system, Mr. Mayor, and then compliment you on your partnerships with a group here. But I too notice the city's vitality has changed quite a bit. And when I roam the neighborhoods--exercising, running, and just trying to relax in this environment up here--the number of properties that are turning around in areas that I had thought

might not ever turn around and neighborhoods becoming neighborhoods and children roaming the streets and police roaming the neighborhoods and stopping me actually and saying, ``What do you like about what we are doing'' and, ``What do you not like about what we are doing,'' has happened to me recently.

That is not what I----

Mr. Frelinghuysen. You were stopped by somebody?

Mr. Cramer. I was stopped by the police. Scared the heck out of me too.

But you wanted some comments from me.

But it is tough to run District Government like this. And you are not a state, you are not a city. You are the District of Columbia.

As I look around at the development going in this city--as you look downtown from Capitol Hill and you see the cranes and you roam around downtown and you see the apartments going up and the condos going up and the kind of upscale neighborhoods that are turning around or just neighborhoods turning around. Someone is making that happen. And so I want to compliment you and tell you that I am here to be a partner with you. And that is a good word to use, I think.

CHILD WELFARE SYSTEM

Mr. Mayor, I would like to focus your attention on the child welfare system because I think one of the most difficult things for any state government to do, particularly, is to provide that safety net for children and families and to be a rescue net for children and families.

I have worked for years with a children's advocacy program here in the District called Safe Shores. And it is one of hundreds of programs around the country. But particularly here in the District, there were more challenges in bringing the resources together.

Now, this weds the public sector with the private sector. And we focused as a project on a place to put this program because we felt like Safe Shores was in an inadequate place. As good as we could provide for a while, but still not where we wanted to get. And other communities similarly sized around the country were doing better things and we wanted to do better things.

So we focused first on a firehouse on Capitol Hill that had been boarded up. Well, the city got in a different position with that firehouse, reopened it as a firehouse, and who can argue with that? Then we focused on the Gale School property, over here off Massachusetts Avenue, which had been boarded up for years and years and years.

And this is a unique opportunity, I think, for the Safe Shores program, as well as their parent organization, the National Children's Alliance, to be able to showcase work that is going on with children here, the District's children here, as well as letting other communities that want to build programs like this, like the city of Chicago that wanted to come in here years ago and look at a program like this. We did not have a place to showcase then. They built a program in Chicago on their own through different means.

But I know this is tough to do, but Mr. Mayor, you have supported this Gale School project and it is in your budget here. And I want to thank you for that and give you a chance to comment, if you would, on the child welfare system and the progress that we have made.

Mayor Williams. Okay, Congressman. I was thinking to myself, Lord, have mercy, I thought I put that in the budget.

Mr. Cramer. You did, you did, you did. [Laughter.]

Mayor Williams. I was saying to myself, ``Well, the bureaucracy really is not working because here I am thinking I put it in the budget, and it is not, and who has done it?'' You know, the Gale School, what we are doing in working with the Congress, and I will note Congresswoman Norton and Leader Congressman DeLay for the intake center at the courts. They are all, I think, very significant positive steps.

I think that--I think events are commitment to improving child welfare in the city. I think, as I was reporting to the Chairman, if you look at my budgets, one of the areas where I have had some pushing and shoving as we have moved through the budget process is to try to protect funding with a margin for error and some kind of cushion for Children and Family Services Agency. Recognizing, I think, that we have got a first-rate director, Olivia Golden, who, you know, no one has got better, I think, better experience, working for the Children's Defense Fund, working as a senior leader in the Department of Health and Human Services, now working in the District, to really move this program forward. And I believe that she is doing that in very significant ways.

If you look at what I have done in two key appointments I have made over the last couple of months, I think they also evidence this. For example, I have sent to the council the nomination of Robert Spagnoletti to be our core counsel. One of the things that commended me about him was that working for three U.S. Attorneys, Wilma Lewis, Eric Holder and now Roscoe Howard, all of them reported that he had done an excellent job. All of them reported the work that he had done to turn around the Domestic Violence Unit in U.S. Attorney's Office.

And I think he is uniquely equipped to go into core counsel's office and not just get the core counsel's office running better, because he is a lawyer who understands management, but also those functions the core counsel's office, whether they are child custody, other functions, that relate to child welfare.

Finally, Yvonne Gilchrist, who we have sent to the Council as the nominated to run Department of Human Services here in the city. Now, one of the things that originally hit me when I looked at her resume and talked to her was when she was up in Baltimore, working up in Baltimore, she was responsible for, I think in one year, bringing adoptions--and I do not have the exact numbers, but an order of magnitude something like 30 to 300. Huge increase in adoptions. And that is exactly the kind of leadership that we need here in the city that I think, again, to express our commitment to all these children and family issues.

Mr. Cramer. Thank you. I wish I had more time but we will--
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Ms. Cropp. Mr. Cramer, if I may just add with the Safe

Shores Program that you were talking about. It is really an excellent example of the public and private sector coming together. The national organization will be housed on the top floor of the building, the Safe Shores Program itself. And then the city offices that will act as a linkage for the program.

And also, sort of in line with what Mr. Fattah had said, the national program will even be paying rent--coming together for the benefit of the citizens as a whole.

Mr. Cramer. Thank you. Thank you very much.

Mr. Frelinghuysen. Thank you, Mr. Cramer.

Mr. Culberson.

JOBS AND GROWTH TAX ACT FUNDING

Mr. Culberson. Thank you, Mr. Chairman.

I wanted to ask, if I could, in the testimony you all presented, you did not mention the additional money the District will receive as a result of the state bail-out money from the jobs and growth tax cut package. And I know that it is my understand that you will have approximately \$44 million additional dollars that will need to be spent on Medicaid.

But what do you plan to do with the additional \$50 million that you will receive in flexible dollars? And to what extent will that diminish the obligations of this subcommittee to provide the money additionally that you have asked for?

Dr. Gandhi. You are right, sir. I was just mentioning where we went in 2003. But for 2004, obviously, this money is in the bag. And we very much appreciate that. No question about that.

Mr. Culberson. How will it be spent? And on what----

Mayor Williams. The CFO is bringing me recommendations. I will share them and have discussions with the council. But as a general rule, we want to make a healthy investment in reserves and in funding to protect us from future, you know, downturns in the 2004. And then on a limited basis, use some discretionary funding for some investments that were deferred because of the financial difficulties. We are facing some critical enhancements that were deferred because of the situation that we are facing.

An example would be, I mean I am just giving you an example, we have deferred things in education. We have deferred investments in workforce, those kinds of things, to try to recoup them.

Ms. Cropp. The Mayor and the Council are looking forward to our discussions that with regard to that money, I think that one challenge that we will have in the District of Columbia, and quite frankly, I think across the country, is that we certainly do appreciate that money. And I think that everyone will say that the money is greatly needed.

Our challenge is not to put it in the base so that by 2005 we then have a problem because we have built up our base on those dollars, and then in 2005 we may not have those dollars.

PUBLIC EDUCATION

Mr. Culberson. Thank you. I also hope that you will do everything in your power to improve the of the public schools. It seems to be public safety, public education particulars, are

our most important obligation as public officials. And I am just profoundly disturbed to see the report of Undersecretary Hickock that 76 percent of fourth graders in DC scored below basic level and that there was a lower percentage of students in DC demonstrating proficiency than in the case for any other state.

It is profoundly disturbing, and I am grateful for the progress you have made in other areas. But it seems to me that is an absolute emergency. Because those--you never get another chance at those kids. Having a 6-year-old myself, the time goes so quickly and it is so precious.

REPRESENTATION OPTION

Finally, I wanted to ask in the time that I have remaining, is to--I have discovered--I come from 14 years in the Texas legislature and am new to the committee and am in my second term in Congress and am a devout believer in the core principles Thomas Jefferson pursued. As a Jeffersonian, I have discovered that much of the problems that I have encountered in the state legislature and here are typically you can trace them to some problem in governance and the way the institution itself operates.

And you mentioned, Chairman Cropp, in your testimony, and I have heard it from the others as well, the limited tax base and a lot of other restraints and restrictions that you are forced to deal with as a result of the unique circumstances of the District of Columbia.

Why should not Congress simply pass legislation to allow the District of Columbia, other than the Capitol and the federal buildings, to become a part of the state of Maryland, so that you do indeed have representation and you are indeed a city and can draw on revenues from the state of Maryland as a whole and operate therefore, as a part of our republican system of government, where you truly have representation and can draw on the revenue base outside of the city?

Should you not become a part of the state of Maryland?

Ms. Cropp. Well, that is a debate----

[Laughter.]

Ms. Cropp [continuing]. That is a debate that has been going on for a long time, but the Congress did create the District of Columbia. And we have since become somewhat of an independent jurisdiction that has our own culture.

And one of the better approaches, we would hope, is that we would be able to get voting representation in Congress from the District of Columbia. There have been many options that people have looked at. That is one. I do not think that is the option of choice for the District of Columbia, however.

And I also--let me just say, Thomas Jefferson was the first president of the board of education for the District of Columbia, by the way.

Mr. Culberson. Well, certainly, it does make more sense though for you if you are going to be represented, you would have, obviously, a greater revenue base. A lot of the restrictions you are talking about would disappear if you became a part or a state governance structure.

You know, I could also ask the Mayor, if I could, to also

comment on that and give us your thoughts on why not become a part of the state of Maryland and therefore have a real voice and real representation?

Mayor Williams. Well, you know, I mean if you look at the original confines of the District, 10 by 10, 100 square miles, part of the District was originally in Virginia. So you could make the point that maybe we ought to become part of Virginia.

Mr. Culberson. Sure, absolutely.

Mayor Williams. Right. And I think that the District has a unique--as the Chairman was saying, I want to just basically embrace her comments that the District has a unique history and a unique culture. And I think it is the general consensus among our citizens that we retain that unique history and retain that unique identity and culture. And that yes, we achieve full representation, but we do it on our own standing with our own identity as opposed to becoming part of another state.

Mr. Culberson. Certainly, but----

Mayor Williams. The District has been treated for all of these years under Article I, with all of the burdens of statehood but without any of the real benefits. And that we accept those burdens as a unique identity. We ought to have the burdens as with our unique identity that we ought to have the benefits with our unique identity as well.

Mr. Culberson. Of the very small size of the District compared to other states, I think personally it does not make sense. It seems to me he ought to become a part of either Virginia or Maryland.

Mayor Williams. With all respect, Congressman, I mean, I think certainly geographically maybe you could argue that we are of small size, but even geographically if you compare us to other states, we are not that much smaller.

But certainly population-wise, we are actually larger than a couple states in terms of population.

Ms. Cropp. And if you look beyond that, when you look at the number of citizens that the District has sent to our wars in the past, we have sent more citizens to fight for this country than several other states.

We pay more federal taxes than several other states. So when, if you are going to compare us with other states, I think in some instances, we are larger than other states.

And those other states do not have the burdens that we have in the District of Columbia.

I would humbly suggest that if you restricted many other states or cities with the type of restrictions that we have in the District of Columbia, they would have gone, and I think this is a Texas term, belly up a long time ago. [Laughter.]

We have done exceptionally well, considering the restrictions that we have. So I appreciate the direction, I appreciate that it's on your plate and on your radar screen.

Mr. Culberson. I want to see you represented, and the best way I think to do it is to become a part of either the state of Virginia or Maryland. Thank you.

Ms. Cropp. Thank you.

Mr. Frelinghuysen. He is not going to give up. [Laughter.]

And it is good to know that the Council Chair and the Mayor are in lockstep in terms of their response on this issue.

I just have a few--Mr. Fattah, get your oar in the water

here.

Mr. Fattah. Not to speak for Jefferson, but I think that it would be much more connected to American ideals for the people of the District to decide whether or not they wanted to have home rule and a vote in the national legislature or become a part of some other state, than for the gentleman from Texas or Pennsylvania or New Jersey or for any of us to decide for the people of the District. I think that it is the basis of our democracy that people have a right to self-determination.

So, with all due respect, I think, for us to want that for the people of Iraq, and not be prepared to allow the people of the District to decide, versus those of us who come from some other place, because I am sure that in Texas they would not want people making determinations for the state of Texas, in terms of what their future may be.

So I would like the record to reflect that, at least in my opinion, we should go in the direction of allowing the residents of the District, who pay their taxes and who fight in the wars to be able to speak for themselves and to govern themselves.

In that regard, there were some comments about vouchers earlier. I am an opponent of vouchers. I think what we should do in public schools is to provide for in our low performance districts the same thing that we provide in our high performance districts. That is quality teachers and the reasonable class sizes and access to technologies. But I am a believer in home rule.

And so, whatever the position of the elected officials of the city are, I think that the Congress should really stay in its own lane and allow the people to be governed by the Mayor and the City Council in efforts to desire the elected officials to proceed with vouchers or needle exchanges or whatever these matters are.

I think that we have done a great job in getting rid of these riders. And we should continue in the path of being respectful to fellow citizens of this great nation of ours and their right to govern themselves.

Mr. Frelinghuysen. Thank you very much for your comments, Mr. Fattah.

Just a few questions relating back to the budget.

Yes, you want equal time, Mayor?

CONTRACT AWARD

Mayor Williams. No, could I just answer Congressman Cunningham? I got information for you.

Mr. Frelinghuysen. Boy, is that a prompt response. [Laughter.]

Mayor Williams. I am sure it was not in direct response to your question, but we have just awarded a contract. Isn't that quick? [Laughter.]

Mr. Frelinghuysen. How shameless. [Laughter.]

While we were deliberating the Mayor has awarded a contract. [Laughter.]

That is the fastest action the city has ever taken.

Mayor Williams. But a \$2.7 million contract, Congressman--

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[Laughter.]

Mr. Frelinghuysen. This hearing is not generating that much yet.

Mayor Williams. But we have awarded a contract, Congressman, of \$2.7 million. Work is scheduled to begin this month.

The work should be completed by the end of this calendar year, and everything fully operational at that point.

Mr. Frelinghuysen. Thank you, sir.

Two other areas I would like to focus on for a few minutes, and then we will sort of maybe some closing remarks from each of the Members. I know Mr. Cunningham has another question.

ADULT LITERACY

We both mentioned in our opening remarks the issue of adult literacy. We certainly know that there is a relationship between schools and the very high percentage of the rate adults in the city.

Congress provided \$4 million last year, and you are asking for another \$4 million. What is the city bringing to the table relative to the federal commitment?

Mayor Williams. Well, what we have done, Congressman, is \$1.5 million has been granted to a number of organizations to provide direct services, and they range from, for example, a Latin American youth center, Covenant House in Washington, very well-known organization, Academy of Hope, Greater Washington Urban League. Nearly 5,000 other adults will benefit from professional development capacity building and the like.

Approximately \$1.3 million has been re-granted to DC agenda to recruit, hire, place and train the first 20 literacy leaders, \$150,000 paid to National Institute for Literacy's Equipt for the Future program, \$100,000 to fund a citywide online clearing house.

And to answer your question specifically, Mr. Chair, in terms of the city's commitment, and just one example of this--
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Mr. Frelinghuysen. Just tell me that some of those organizations you listed are actually using the federal dollars.

Mayor Williams. Right, I am getting to the local match, for local dollars. Just one example of the local commitment is we work with the CFO and work with the council, recognizing that these are not ongoing commitments, but are one-time commitments, at least on a one-time basis use some part of the dollars that we discussed earlier for literacy, for a commitment to literacy.

I am not sure of the exact amount, but there would be a commitment there.

Mr. Frelinghuysen. So we provided funding in 2003. What specifically is the city bringing to the table? How much money itself?

Mayor Williams. Well, there certainly, the city is bringing an amount to the table in terms of dollars, and these local organizations. Specific dollars from the city we have not been able to provide because of the budget constraints we are facing. Although as they are ameliorated and as we see the

funding relief that we have talked about earlier for fiscal year 2003-2004, part of that would be used for our literacy commitment.

MEDICAID COLLECTIONS

Mr. Frelinghuysen. Okay. Relative to Medicaid collections, one of the issues that has been a major problem for the District over the years and has caused budget shortfalls is the inability of agencies to collect on Medicaid receivables.

Dr. Gandhi, could you focus for a few minutes on where we stand relative to collection forecasts, billings, and actual collections from each of the agencies with large claims?

Dr. Gandhi. Yes, sir, Mr. Chairman. In 2003, we have a expectation that about \$47 million less will be collected than what was originally estimated at the beginning of the year.

However, realizing that we do have a Medicaid collection problem, that we need to build our financial infrastructure to make sure that every dollar is collected, we already have provided reserves in the budget of about \$74 million.

So whatever Medicaid losses that we may suffer in 2003 are properly provided for. But more important, though, is that Mayor and the Council have put together a Medicaid task force, and the Mayor has appointed a Medicaid czar, whose primary function is to be very aggressive about collecting the dollars that are due to the city.

We realize that that is an ongoing effort. By 2005 that effort will be complete and that will be----

Mr. Frelinghuysen. So have collections actually improved since the task force was formed?

Dr. Gandhi. The task force has begun and has already improved. For example, in Child and Family Services we are likely to collect everything that was expected. In the case of schools we will collect everything that was expected.

There are still some agencies where we do have problems, but we have provided the reserves for that in 2003 budget. And my expectation is that within a year we will have corrected our Medicaid problem.

SPECIAL EDUCATION

Mr. Frelinghuysen. Another task force that has been formed, Mr. Mayor, deals with the whole issue surrounding special education. I just wondered where we stand. There was task force that was set up to deal with the complex issues relating to transportation and the costs associated with serving these special children in the District, as opposed to out-of-city placements.

I know some improvements are being made, and I salute you for those improvements, but if you could just talk about some of the work that has been done by that task force? Just for a moment.

Mayor Williams. Yes, so, you know, special education brought to everyone's attention a number of roadblocks to the delivery of special education, and working with council chair, working with the chair of the committee, Kevin Chavez, working across agencies.

Once these roadblocks were brought to light, we believe that we have begun to put the partnerships together to address the problem.

In December, the CFO for the city, and subsequently the joint task force unanimously certified the DCPS cost-saving plan. The plan is designed to generate cost avoidance, cost saving, and generate increased revenue so that the fiscal year 2005 DCPS will not need the \$27 million tobacco fund subsidy.

So that is a long way of saying, Mr. Chair, that we made a commitment to saving annually \$27 million by 2005, and we are on track for meeting that commitment.

We have established a parent service center that is operating 99 hours per week to address all parent concerns as they navigate through the special education process.

We formed public-private partnership with Alternatives Unlimited to create DC Alternative Learning Academy. This public school offers an alternative placement for students with special needs closer to home in a cost-effective manner. And you know that is a big issue.

We have created 200 new seats for students with disabilities, so they can be served within DCPS, again, long and short, to bring more of these services within the jurisdiction and wherever possible within DCPS itself. Our initiative, for example, on Reservation 13, so-called, with St. Colletta's is, in this regard, to bring more services within the jurisdiction. If they can be done through the charter school process, so be it. If they can be done through private providers, that is one way. And also within the public schools.

So I am the first to say, Mr. Chair, there is a long, long way to go, but I believe that we have turned the corner and we are beginning to see some real progress now, specifically the saving of \$30 million by 2004.

Mr. Frelinghuysen. Yes, the Committee provided \$3 million in the way of resources and we think it is a good---

Mayor Williams. Right.

Mr. Frelinghuysen [continuing]. Good investment, you are proceeding down the right path.

A few additional questions. Mr. Pastor and then Mr. Cunningham.

Did you want to make a comment?

LATINO COMMUNITY OUTREACH

Mr. Pastor. It is not a question, but I think the Council, in September, received a report on the status of Latinos in the District of Columbia, and it showed that there were great needs and still barriers in that community. And so I would just encourage you to continue to reach out to the community, and let us know if we can be of assistance on this committee. That it is a growing community, and a community that if well served in terms of education, health, literacy, will make this capital even greater. And so I encourage you to reach out to that community.

Mayor Williams. Congressman, I, as Mayor, my key leaders in my Cabinet in relevant agencies and our councilman from Ward 1, with our highest Latino population, have personally met with the task force now, I think, two or three times and are working

jointly with them on an action plan to address many of the concerns that were raised so that 10 years from now, on the 20th anniversary of the disturbance of the uprising, we can see some marked real progress on the education front, housing front, youth investment front.

Ms. Cropp. And also, the council has created a subcommittee that deals with Latino affairs specifically, and that is the council member from Ward 1, who chairs that subcommittee that is working on the task force and has held several hearings with the Latino community with a translator there so that we can look at the report and come out with recommendations that could be implemented.

Mr. Frelinghuysen. Thank you, Mr. Pastor.

Mr. Cunningham, you had a question?

TOWN HALL MEETING ON PROSTATE CANCER

Mr. Cunningham. Yes. Thank you.

Very seldom are public officials able to contribute something directly without the bureaucracy. The town hall meeting that you set up, Mr. Mayor, was on a terrible night--it was raining, it was sleeting, it was snowing, it was cold. But we packed the place. And I think you saw the interest from the community on the desire to get information about cancer.

Dr. Von Eschenbach said he would come back and speak to the community and I would like you to work with the staff on doing another town hall because you can see the community's concern. It does not take that much to set up another town hall, but I think it directly is responsive to the concerns of DC citizens. This town hall was particularly beneficial for people who have never attended something like that, dealing with prostate cancer, which is highest among African-Americans in the United States.

TRAFFIC FLOW

The second thing that I ask is that you look at parents picking up their children at a school because we want it to be safe. On 7th Avenue, people double park in front of Jefferson School. But there is only one lane of traffic, so quite often it is gridlocked and no one can get through. Quite often it backs up I-395. Also, the southwest Waterfront has been designed in our Homeland Security plans as a potential escape route, and the double parking would gridlock that.

Because my wife is a teacher, I know that all schools have problems with traffic but they assign a teacher to be out there each day to make sure the traffic keeps moving. The problem is, if the parent gets there early, they will wait for their child. There needs to be some place, and I do not know where it would be, but maybe you can take a look at it, where parents can wait for their children. In a time of an emergency there cannot be gridlocking on 7th Avenue because of the access to I-395.

I would also like to associate myself with Mr. Cramer. I used to live on Third Avenue, up by the train station. There was a little grocery store that was robbed six times in one year, and two of the girls that lived in my apartment complex were mugged going into a locked gate. Further, there was a man

shot and killed right out in my driveway. I used to walk in the neighborhood, puff up as much as I could and say, ``Yes, I am bad, I am bad,`` and walk down the street in an effort to deter criminals. My wife and I still go over to that market and when we walk down the street, we have noticed police stopping us and I think that is a very positive thing for the community.

Thank you.

Mr. Frelinghuysen. Nobody fools around with the Duke. We take our hats off to him in terms of the work he has been doing, in terms of a role model relative to prostate cancer. I think it is super, and we admire you and your personal courage. I know I share the feeling of all the Members.

For closing remarks, Mr. Fattah.

CLOSING REMARKS

Mr. Fattah. Let me just thank the Chairman. This is, I believe, the conclusion of a series of hearings that are going to set the foundation for us to do the work that we are required to do this year on this committee. I want to thank the Chairman for the conduct and the substance of these hearings for both Rob Nabors and particularly for the lead staff person, Carol Murphy.

And I want to thank the Mayor and his team for their assistance, particularly Sabrina McNeal, who is very apt in keeping those of us here well informed on matters of importance to the city. And hopefully, we can meet the needs of the District to the degree that this committee is capable of.

Thank you.

Mr. Frelinghuysen. Thank you, Mr. Fattah.

Let me act on those sentiments and recognize the fact that we are only as good as the people who sit next to us and behind us, in terms of minority and majority staff, and we appreciate the cooperation of you, Mayor Williams, Chairman Cropp, Dr. Gandhi, and your respective staffs in providing information.

There will be plenty of questions we will be submitting for the record and we would appreciate a timely response.

Let me say that I believe that this Committee and Congress, in particular, needs to do a much better job of getting the District's budget to them at the start of the fiscal year, and I will be working as best as I can to expedite the process. What happened, as you so politely described, made life extremely difficult, but it is not this Committee's intention to do that, but certainly we are going to pitch in.

Let me also say it has been a pleasure to work with Mr. Fattah, who has a deep knowledge and appreciation of the District. He has provided me with a lot of lessons and knowledge that I was unaware of. I am most appreciative of his cooperation.

We are going to try and get this thing together as soon as we get our allocation, and we hope that it will provide the city with a much needed boost.

On behalf of the Committee and all of us here, we thank you for being here, Mayor and Chairman Cropp.

Mayor Williams. Thank you.

Ms. Cropp. Thank you.

GRAPHIC(S) NOT AVAILABLE IN TIFF FORMATT?